

June 14, 2011

Ms. Leslie Seidman, Chairman Financial Accounting Standards Board 401 Merritt 7 PO Box 5116 Norwalk, CT 06856-5116

Submitted via electronic mail to director@fasb.org

Re: File References: No. 1820-100 and 1850-100

Dear Madam:

The Aerospace Industries Association ("AIA") has previously provided its views on the proposed revenue recognition standard outlined in the Exposure Draft entitled, Revenue Recognition (Topic 605), Revenue from Contracts with Customers (the "Revenue Recognition Exposure Draft"), as issued by the Financial Accounting Standards Board (FASB or "the Board"), in a comment letter dated October 18, 2010. This letter provides an update to our prior letter in response to recent deliberations of the Revenue Recognition Exposure Draft.

AIA is the premier aerospace industry trade association representing the nation's major manufacturers of commercial, military and business products such as aircraft, helicopters, aircraft engines, missiles, spacecraft, and related components and equipment. AIA represents almost 300 manufacturing companies with over two million employees and contributes \$57 billion to our nation's trade surplus. Many of our industry's companies are major suppliers to the U.S. Government.

We understand that the Revenue Recognition Exposure Draft is one of the topics of the current joint FASB/International Accounting Standards Board (IASB) meeting, and, specifically, the FASB/IASB are contemplating whether re-exposure is necessary. We commend the Board members and Staff for their outstanding process and outreach activities that have allowed for industry participation in the development of the proposed standard. As a result, we believe that the Board has significantly improved the concepts of the proposed standard; however, we also believe that the pervasive nature of the changes that have been made warrants a full reexposure of the revised Revenue Recognition Exposure Draft to allow adequate time for financial statement preparers and auditors to fully consider and comment on the impact of those changes.

Additionally, we have previously provided our views on the proposed leasing standard outlined in the Exposure Draft entitled Leases (the "Lease Exposure Draft") in a comment letter to the Board dated December 15, 2010. We reiterate our general agreement with the Board's proposed model requiring lessees to establish a right-to-use asset and a corresponding lease

Ms. Leslie Seidman, Chairman June 14, 2011 Page 2

payment liability in connection with leased assets. We believe that the Board should reconsider the "other than financing" alternative contemplated previously during the joint FASB/IASB meeting held on April 12 -14, 2011. We also believe the significance of the proposed standard warrants a full re-exposure.

We reiterate our belief that the Board has demonstrated a commitment to quality by considering and including industry input. We believe it to be imperative to continue to apply this commitment to quality by following the thorough due process approach contemplated in the FASB's Rules of Procedure. AIA would be pleased to provide an expedited review of both revised Exposure Drafts.

Sincerely, Richard K. Sylverter

Richard K. Sylvester

Vice President, Acquisition Policy