

FASB
401 Merrit 7, PO Box 5116
Norwalk, CT 06856-5116
Re: File Reference No. 2013-270
September 10th, 2013

William Connell
EMC Corporation
176 South Street
Hopkinton, MA 01748

Dear Technical Director,

The proposed changes to lease accounting will be a major burden on businesses. The rules set down by FASB13 over 30 years ago have been tried, tested and understood by all businesses and users of financial reporting.

The proposed changes will complicate financial reporting. One example is that lessees will have to treat lease obligations as loans, place them on the balance sheet and amortize. This will affect existing debt covenants between companies and their banking partners; further curtailing credit availability and the health of the financial system.

The true nature of a lease is a rental of the underlying assets. It should be accounted for as a straight line operating expense; not as a pay down of principle and interest. The straight line operating expense treatment more truly reflects the nature of the contract. Operating treatment allows businesses to make quick procurement decisions to acquire the equipment necessary to run their operations and adapt to changes in the marketplace. Capital outlays take more time to get internal approval and will restrain a business's flexibility to acquire equipment needed to compete in the marketplace.

The cost of converting existing leases and modifying IT systems to account for them as outlined in the exposure draft will run into the billions. This is an unnecessary burden on businesses in the best of times; in this fragile economy it could put some of them out of business. Businesses are already inundated with numerous regulations they must comply with.

FASB13 is understood by both businesses and users of financial statements. To throw it out and make radical changes will bewilder everyone. Instead of transparency the proposed changes will create confusion.

I ask that you please consider leaving the existing FASB13 standard in place.

I appreciate your consideration.

Sincerely,

William Connell
EMC Corporation
Managing Director, Global Financial Services