

Technical Director  
File Reference No. 1820-100  
Financial Accounting Standards Board  
401 Merritt 7  
Norwalk, CT 06856-5116

RE: Comments on the FASB and IASB's Exposure Draft on Revenue Recognition from Contracts with Customers

As a contractor representative, we hereby are making our interest known as to board's project on revenue recognition. As I am certain it is yours, it is our intent to insure that accounting practices within our industry are properly maintained.

We are a company that has been building highways in the Midwest for nearly a hundred years, having built the first section of interstate under the Eisenhower administration. We share the concern of many about the proposed changes to financial reporting and measurement. The cause is just, to bring standards that can be more universal and cross industries that currently diverge, but it would seem unjust to dismiss and discontinue proven methods. One must ask the question: Can the measurement and reporting for such a vast array of products and services be brought together under one set of rules and regulations?

The concept of performance obligations to determine would seem reasonable. However, a single performance obligation is insufficient, but in our case to define multiple performance obligations for a continuous revenue stream is inconceivable when multiple stand alone products and readily available prices do not exist. The risks are inseparable within the contract. The guidance in the exposure draft with respect continuous transfer is well received, but can this be accomplished better than current practice? Also, there is much room for error or poor judgment with regard to which costs are period costs and which can be capitalized. What it comes down to is that it is much too subjective. While financial accounting is not exactly a science, it should include methods and procedures that will promote consistency and benchmarking in such a way as to enhance performance. Please consider the potentially huge system development costs presently being implied. Audit costs will also escalate, and at best what we can hope to achieve are the results we now enjoy.

Obviously, this is not a responsibility that the board takes lightly. May you be guided to achieve what is in the best interest of the greatest number of financial information users and accounting professionals.

Sincerely,

Koss Construction Company  
Topeka, Kansas