

Delta Tucker Holdings, Inc.

Bradley G. Graham
Vice President and Controller
March 12, 2012

Letter of Comment No:
File Reference: 2011-230
Date Received:

Technical Director
Financial Accounting Standards Board
401 Merritt 7
Norwalk, CT 06856-5116
Via email to director@fasb.org

RE: Proposed Accounting Standards Update 2011-230—Revenue Recognition (Topic 605): Revenue from Contracts with Customers

Delta Tucker Holdings, Inc., the parent of DynCorp International, Inc. (“DI” and together with Delta Tucker Holdings, Inc., the “Company”) welcomes the opportunity to provide comments to the FASB concerning this exposure draft moving GAAP to a single model for revenue recognition for all contracts with customers.

DI is a global government services provider in support of U.S. national security and foreign policy objectives, delivering support solutions for defense, diplomacy, and international development. DI operates major programs in logistics, platform support, contingency operations, and training and mentoring to reinforce security, community stability, and the rule of law. DI is headquartered in Falls Church, Va. For more information, visit <http://www.dyn-intl.com/>.

As the board considers proposing an effective date for the guidance with retrospective application, we ask they consider the presentation requirements of registrants. With a potential January 2015 adoption date expected to be announced in September, the retrospective application of the guidance would only provide three months to modify systems based on the final guidance to provide parallel recording for the three-year financial presentation. We respectfully request the board to consider these factors in the retrospective application of this standard in establishing an effective date for this guidance.

For questions 1, 2, 3, and 6 we substantially agree with the criteria outlined in the specific paragraphs and limit our responses to the concerns identified in questions 4 and 5.

Our views on the remaining individual questions raised by this Exposure Draft are included on the following pages.

Question 4: For a performance obligation that an entity satisfies over time and expects at contract inception to satisfy over a period of time greater than one year, paragraph 86 states that the entity should recognize a liability and a corresponding expense if the performance obligation is onerous. Do you agree with the proposed scope of the onerous test? If not, what alternative scope do you recommend and why?

We agree with the recognition of a liability and a corresponding expense if a contract is onerous. We disagree with the onerous test performed at the performance obligation level. There are many instances in our current contract catalog that a contract will contain several distinct performance obligations of which one may be deemed onerous while the contract in total is highly profitable. This would present the financial statement user with a distorted view of our contract execution.

Question 5: The Boards propose to amend Topic 270 and IAS 34 to specify the disclosures about revenue and contracts with customers that an entity should include in its interim financial statements. The disclosures that would be required (if material) are:

1. The disaggregation of revenue (paragraphs 114-116)
2. A tabular reconciliation of the movements in the aggregate balance of contract assets and contract liabilities for the current reporting period (paragraph 117)
3. An analysis of the entity's remaining performance obligations (paragraphs 119-121)
4. Information on onerous performance obligations and a tabular reconciliation of the movements in the corresponding onerous liability for the current reporting period (paragraphs 122 and 123)
5. A tabular reconciliation of the movements of the assets recognized from the costs to obtain or fulfill a contract with a customer (paragraph 128).

Do you agree that an entity should be required to provide each of those disclosures in its interim financial statements? In your response, please comment on whether those proposed disclosures achieve an appropriate balance between the benefits to users of having that information and the costs to entities to prepare and audit that information. If you think that the proposed disclosures do not appropriately balance those benefits and costs, please identify the disclosures that an entity should be required to include in its interim financial statements.

We disagree with the requirement to provide all of the disclosures in interim financial statements as currently described in the exposure draft. Our concern is that the disclosure requirements might be too excessive and time consuming for interim financial statements. Of the suggested disclosures, we believe the most beneficial to financial statement users would be the disaggregation of revenue and onerous performance obligations. We suggest narrowing the disclosure requirements to only these elements in an attempt to meet the need of financial statement users without burdening preparers with undue costs.

Sincerely,


Bradley G. Graham
Vice President and Controller