

December 30, 2016

Ms. Susan M. Cospers
Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

By e-mail: director@fasb.org

**Re: Proposed Accounting Standards Update—*Service Concession Arrangements*
(Topic 853): *Determining the Customer of the Operation Services*
(a consensus of the Emerging Issues Task Force)**

(File Reference No. EITF-16C)

Dear Ms. Cospers:

The New York State Society of Certified Public Accountants (NYSSCPA), representing more than 26,000 CPAs in public practice, business, government and education, welcomes the opportunity to comment on the above-captioned exposure draft.

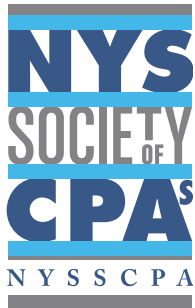
The NYSSCPA's Financial Accounting Standards Committee deliberated the proposed accounting standards update and prepared the attached comments. If you would like additional discussion with us, please contact Craig T. Goodman, Chair of the Financial Accounting Standards Committee, at (212) 324-7048, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,

A handwritten signature in blue ink that reads "F. Michael Zovistoski". The signature is written over a faint, semi-transparent watermark of the NYSSCPA logo.

F. Michael Zovistoski
President

Attachment



**NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS**

COMMENTS ON

**PROPOSED ACCOUNTING STANDARDS UPDATE—*SERVICE CONCESSION
ARRANGEMENTS (TOPIC 853): DETERMINING THE CUSTOMER OF THE
OPERATION SERVICES*
(A CONSENSUS OF THE EMERGING ISSUES TASK FORCE)**

(File Reference No. EITF-16C)

December 30, 2016

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Margaret A. Wood**

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Ernest J. Markezin

New York State Society of Certified Public Accountants

Comments on

Proposed Accounting Standards Update—*Service Concession Arrangements (Topic 853): Determining the Customer of the Operation Services* (a consensus of the Emerging Issues Task Force)

(File Reference No. EITF-16C)

General Comments

We welcome the opportunity to respond to the Financial Accounting Standards Board's (FASB or the Board) invitation to comment on the Proposed Accounting Standards Update—*Service Concession Arrangements (Topic 853): Determining the Customer of the Operation Services* (a consensus of the Emerging Issues Task Force) (Proposed Update).

Specific Comments

We have the following responses to questions posed in the Proposed Update.

Question 1: Do you agree that the customer of the operation services is the grantor in all cases for service concession arrangements within the scope of Topic 853? Please explain why or why not. If you disagree, please provide any examples of transactions within the scope of Topic 853 for which the customer of the operation services would not be the grantor.

Response: We agree that the customer of the operation services is the grantor in all cases for service concession arrangements within the scope of Topic 853.

Question 2: The Board decided not to require that operating entities provide disclosures, in addition to the existing GAAP disclosures, about how they determine the customer of the operation services. Are the disclosures required by Topic 606 sufficient for these types of arrangements? If not, please suggest other disclosures that would provide useful information.

Response: We believe that the disclosures required by Topic 606 are sufficient.

Question 3: Do you agree with the proposed effective date and the proposed transition requirements in paragraph 853-10-65-2 for entities that will not early adopt Topic 606? Should adoption of the proposed amendments be permitted before an entity's adoption of Topic 606? Please explain why or why not.

Response: We agree with the proposed effective date and the proposed transition requirements in paragraph 853-10-65-2 for entities that will not early adopt Topic 606. We do not believe that adoption of the proposed amendments should be permitted before an entity's adoption of Topic 606. We agree with the observation in paragraph BC14 that the costs a reporting entity would incur to change its revenue accounting twice in a relatively short period of time would not be justified. We also think that unnecessary short term changes in a reporting entity's revenue accounting could lead to confusion by the users of the financial statements.

Question 4: Do you agree with the proposed transition method and the proposed transition disclosures in paragraph 853-10-65-2 for entities that elect to early adopt Topic 606 before the finalization of the proposed amendments? Please explain why or why not.

Response: We agree with the proposed transition method and the proposed transition disclosures in paragraph 853-10-65-2 for entities that elect to early adopt Topic 606 before the finalization of the proposed amendments.

Question 5: How much time would be needed to implement the proposed amendments for an entity that early adopts Topic 606 before the finalization of the proposed amendments? Should the proposed amendments be effective immediately upon issuance for such entities? Please explain your reasoning.

Response: The time needed to implement the proposed amendments for an entity that early adopts Topic 606 before the finalization of the proposed amendments should not be significant and the proposed amendments should be effective immediately upon issuance for such entities. Early adoption of Topic 606 will require an entity to analyze its contracts with customers. Implementation of the proposed amendments will need to be done as part of that analysis and therefore should not require significant incremental time.