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Via email to PCCReview@f-a-f.org

Board of Trustees
Financial Accounting Foundation
801 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Re: Review of the Private Company Council (PCC)

Dear Trustees:

We appreciate the opportunity to respond to the FAF Board of Trustee's request for comment on the effectiveness of the Private Company Council. We support the PCC's role as an advisor to the FASB concerning private companies.

We believe the PCC has been effective assisting the FASB on private company issues, particularly with the private company alternatives for goodwill amortization and impairment. Moving forward, we think it would be beneficial for the PCC to focus its efforts in assisting the FASB's consideration of private company concerns throughout the standard-setting process for all companies. Incorporating the private company perspective to the FASB's core standard-setting process mitigates potential transition costs as companies enter or exit the public markets in the US. Therefore, we believe an advisory approach is preferable to creating private company exceptions after the fact, to the extent feasible.

We are aware the FASB provides semiannual webcasts targeted to private companies and the PCC conducts outreach meetings to collect input from private companies. We support these efforts and believe they should continue.

In terms of possible enhancements, the FAF might consider creating two specific PCC subcommittees, one to focus on larger, private equity-backed companies and one to focus on other, smaller private companies. Different sized companies have different user needs. For instance, analysts and other users compare larger PE-backed companies to their public competitors, whereas smaller family-owned businesses report to community banks. The PCC subcommittees may find it more effective to conduct outreach with each constituent group to gather targeted responses, although this admittedly depends on the level of stakeholder engagement.

Additionally, the PCC might consider strengthening its collaboration with the AICPA PCPS Technical Issues Committee by adding an observer, similar to FinREC's¹ past nonvoting role on the Emerging Issues Task Force. Among other things, this may help obtain feedback on difficulties private companies face when implementing standards. The FAF could also consider establishing annual (rather than biannual) liaison meetings between the PCC and the SBAC, as some of their agenda topics overlap.

¹ The Financial Reporting Executive Committee of the AICPA

We would be pleased to discuss our comments with the FASB staff. Please direct questions to Adam Brown at (214) 665-0673.

Very truly yours,

BDO USA, P.A.

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