

September 30, 2014

Susan M. Cospers, CPA  
Technical Director  
FASB  
401 Merritt 7  
PO Box 5116  
Norwalk, CT 06856-5116

**Re: July 15, 2014 Exposure Draft of a Proposed Accounting Standards Update (ASU),  
*Inventory (Topic 330): Simplifying the Measurement of Inventory* [File Reference No.  
2014-210]**

Dear Ms. Cospers:

One of the objectives that the Council of the American Institute of Certified Public Accountants (AICPA) established for the PCPS Executive Committee is to speak on behalf of local and regional firms and represent those firms' interests on professional issues in keeping with the public interest, primarily through the Technical Issues Committee (TIC). This communication is in accordance with that objective. These comments, however, do not necessarily reflect the positions of the AICPA.


TIC appreciates the Board's efforts in undertaking a Simplification Initiative to eliminate costly or complex requirements in current GAAP that have not proven relevant to financial statement users.

TIC fully supports the ED, which proposes that inventory should be measured at the lower of cost and net realizable value and eliminates the existing requirement for an entity to consider the replacement cost of inventory and the net realizable value of inventory less an approximately normal profit margin.

TIC also agrees that the final standard should be applied prospectively to the measurement of inventory after the date of adoption and that it should be effective in annual periods, and interim periods within those annual periods, beginning after December 15, 2015, with early adoption permitted. Nonpublic entities do not need a delay in the effective date.

TIC appreciates the opportunity to present these comments on behalf of PCPS member firms. We would be pleased to discuss our comments with you at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Scot Phillips". The signature is written in a cursive, slightly slanted style.

Scot Phillips, Chair  
PCPS Technical Issues Committee

cc: PCPS Executive and Technical Issues Committees