



November 30, 2015

VIA e-mail to: rule-comments@sec.gov

Securities and Exchange Commission
Secretary
100 F Street, NE
Washington, DC 20549-1090

Reference: Release No. 33-9929; 34-75985; IC-31849; File Number S7-20-15 –
Effectiveness of Financial Disclosures about Entities Other Than the Registrant

FedEx Corporation appreciates the opportunity to provide comments to the Securities and Exchange Commission on its disclosure effectiveness initiative, specifically on the effectiveness of financial disclosure requirements in Regulation S-X applicable to entities other than the registrant.

FedEx Corporation is a global company that provides customers and businesses worldwide with a broad portfolio of transportation, e-commerce and business services. Our annual revenues total approximately \$48 billion, we have more than 325,000 team members, and we serve customers in more than 220 countries and territories. Our financial statements are prepared under U.S. GAAP and our common stock is listed on the New York Stock Exchange. We present our views from the perspective of a financial statement preparer and as a large accelerated filer registered with the SEC. Our most recent Form 10-K filing incorporates over 20 footnotes, with extensive disclosures across multiple areas, including subsidiary guarantor reporting.

We appreciate the steps the SEC is taking to improve the financial disclosure requirements applicable to public companies and are supportive of this initiative. As the SEC continues to analyze the existing disclosure requirements, we are hopeful that it will pay particular attention to Rule 3-10 of Regulation S-X, specifically relating to the financial information for subsidiary guarantors.

Financial information for subsidiary issuers and guarantors

We have been required to provide condensed consolidating financial statements for our guarantor subsidiaries and non-guarantor subsidiaries since our fiscal year 2007. We satisfy the three primary conditions to qualify for alternative disclosure under Rule 3-10(f) under Regulation S-X in that our subsidiary guarantors are 100% owned by the

parent company, and the guarantees are full and unconditional and joint and several. However, we are required to provide detailed condensed consolidating information because our non-guarantor subsidiaries are not considered minor under Rule 3-10 of Regulation S-X. We present consolidating information in a columnar presentation for each category of parent, guarantor subsidiaries, non-guarantor subsidiaries and consolidating eliminations. We present all major captions of our balance sheets, income statements and cash flows statements.

We believe that the costs and challenges of complying with Rule 3-10 of Regulation S-X significantly outweigh the value to investors, debt holders and other users of our financial statements. The preparation of our condensed consolidating financial statements is time-consuming and costly, requiring approximately 280 hours per year to prepare and review. This estimate includes the time spent for several layers of review, which is necessary due to the complexity of these financials. In order to prepare these financial statements, information must be gathered from multiple sources across our enterprise, and numerous reports and spreadsheets are generated, adding to the time spent and the review necessary. This basis of presentation is used for no purpose other than to comply with the specific requirements of Rule 3-10 of Regulation S-X. The required condensed consolidating financial statements must be prepared using a unique format that is not found elsewhere in SEC rules or other applicable accounting standards. Therefore, preparation of these financial statements is inherently manual because our general ledger and financial reporting systems are not structured for this basis of reporting, our business is not evaluated on this basis, and no other similar financial statements are used in our company.

We question whether investors consider this information material, or even useful, for their decision-making. It has been our experience that in the time since we have been required to prepare condensed consolidating financial statements, we have received very few questions that relate specifically to this disclosure from investors, debt holders, and other users. Any questions we have received have been very general in nature. For example, some investors have asked which FedEx entities are included in the "Guarantor Subsidiaries" and "Non-guarantor Subsidiaries" columns. In those cases, we refer them to our SEC filings that include this information.

We recognize the purpose of issuing condensed consolidating financial statements is to provide useful information in evaluating the collateral assets and the financial health of the guarantors. However, we believe that financial statement users can evaluate the financial condition of the subsidiary guarantors using information that is less burdensome to prepare and perhaps more meaningful. We believe that the SEC should consider expanding the current criteria for S-X Rule 3-10 relief to include cases in which the guarantees are full and unconditional and joint and several and the subsidiary guarantors are wholly owned. When these criteria are met, we recommend that, instead of providing detailed condensed consolidating financial statements, a registrant provide a narrative disclosure about the issuer's and its subsidiaries' ability to service the debt and comply with any covenants. In the event that guarantors show signs of decline or potential default on loans, registrants should be required to disclose selected financial information,

including revenues, operating income, cash balance, debt balance and net assets for the issuer (parent company) and the guarantors. This recommendation is based on the type of information debt holders typically use in assessing a company's ability to pay. If debt holders do not believe that condensed consolidating financial statements are useful in making investment decisions, it seems unlikely that other investors and users of our financial statements would find such information useful.

We appreciate the opportunity to comment and thank you for your consideration of our comments. If you have any questions, please contact Jennifer Johnson at [REDACTED].

Sincerely,



John L. Merino
Corporate Vice President
and Principal Accounting Officer



Jennifer L. Johnson
Staff Vice President and
Corporate Controller