



March 21, 2019

Via Email to: rule-comments@sec.gov

Securities and Exchange Commission
Ms. Vanessa Countryman
Acting Secretary
100 F Street, NE
Washington, DC 20549-1090

Release No. 33-10588; 34-84842; File No. S7-26-18, *Request for Comment on Earnings Releases and Quarterly Reports*

On December 18, 2018, the Securities and Exchange Commission (the “Commission”) issued a request for public comment soliciting input on the content and frequency of earnings releases and quarterly reports made by public companies. FedEx Corporation (“FedEx”) appreciates the opportunity to provide comments in response to the Commission’s request.

FedEx 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 \$69 billion, we have more than 450,000 team members, and we serve customers in more than 220 countries and territories. Our financial statements are prepared in accordance with accounting principles generally accepted in the U.S. and our common stock is listed on the New York Stock Exchange. We present our views from the perspective of a preparer of financial statements and other disclosures required to be filed with the Commission and as a large accelerated filer registered with the Commission.

FedEx believes that public companies are best managed when a long-term, strategic focus, rather than the attainment of short-term results, guides decision making. The ability to drive long-term stockholder value corresponds with the objectives of most individual investors, who utilize U.S. equity markets to save for long-term goals such as retirement, and promotes economic growth, job creation and environmental sustainability.

While capital investments often span multiple years and can be difficult to measure quarter to quarter, public markets rely on a consistent and transparent exchange of information to operate effectively and safeguard the interests of investors. Quarterly reporting of financial results, which has been required by the Commission for nearly 50 years, allows stockholders to reliably evaluate a public company’s performance and ensure that their savings are being invested properly. Accordingly, the current reporting framework assists the Commission in carrying out two prongs of its long-standing tripartite mission: the protection of investors and maintenance of fair, orderly and efficient markets.

FedEx commends the Commission for its recent efforts to balance these two objectives with the third prong, the facilitation of capital formation, by reviewing existing disclosure requirements

and considering updates when appropriate in light of the evolution of the U.S. public markets. Over time quarterly reports on Form 10-Q have grown longer and more complicated, largely due to requirements imposed by the Financial Accounting Standards Board (the “FASB”). A recent study of 20 large, well-known public companies by Ernst & Young LLP found that from 1994 to 2018, the average number of pages of notes to interim financial statements increased more than 700%.¹ Also, as the concerns of investors, along with the financial, operational and other information they consider in making decisions, constantly change, companies are compelled to provide additional disclosures voluntarily.

The senior management of public companies must devote substantial time and resources to address these issues. Further, investors and analysts pose very few questions regarding our FASB-mandated interim disclosures, and do not otherwise indicate that this information meaningfully assists users of our financial statements in understanding our results of operations and financial condition. Rules and forms that require issuers to prepare burdensome disclosures which investors no longer deem significant in the ever-changing climate of the public markets may deter companies from becoming or staying public. Recent initiatives of the Commission, including amendments to certain disclosure requirements that have become redundant, duplicative or outdated and amendments seeking to modernize and simplify Regulation S-K, as well as proposed amendments aimed at simplifying disclosures related to guarantors of registered debt securities, help guard against this concern.

FedEx encourages the Commission to keep this endeavor a priority as our public markets continue to evolve, and to work holistically with the FASB to reconsider required interim financial statement disclosures. Additionally, given that investors and analysts focus more on earnings releases than quarterly reports on Form 10-Q, we believe there is an opportunity to streamline required disclosures and eliminate duplicative information in quarterly reports.

¹ “To the Point—Renewed focus on quarterly reporting.” Ernst & Young LLP (Oct. 4. 2018), *available at* [https://www.ey.com/Publication/vwLUAssets/TothePoint_04485-181US_QuarterlyReporting_4October2018/\\$FILE/TothePoint_04485-181US_QuarterlyReporting_4October2018.pdf](https://www.ey.com/Publication/vwLUAssets/TothePoint_04485-181US_QuarterlyReporting_4October2018/$FILE/TothePoint_04485-181US_QuarterlyReporting_4October2018.pdf).

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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