

From: Krabbe, Carla

Sent: Tuesday, December 16, 2014 10:38 AM

To: FASAB; Payne, Wendolyn M

Cc: Spencer, Pete; ^DCBFQM OFPO Controls; Gasparini, Joanne; Dushel, Annette; Silvestri, Mark

Subject: Statement of Federal Financial Accounting Standard Exposure Draft, Public-Private Partnerships: Disclosure Requirements

Wendy -

We appreciate the opportunity to review the Federal Accounting Standards Advisory Board's Exposure Draft (ED), *Public-Private Partnerships (P3): Disclosure Requirements*. SSA is not involved currently in any P3 arrangements, nor do we expect to have P3s that are subject to disclosure pursuant to the proposed requirements. We defer to those agencies that have expertise in this subject matter. However, we do offer a few comments/observations regarding the ED that the Board may want to consider.

1. Part (3) of the definition of P3s (Question 1), "conveyance or transfer of real property, personal property..." may be too broad. If interpreted literally, the definition could be perceived as requiring all acquisition of property be considered a P3 arrangement that requires disclosure, given that Appendix A, paragraph A11.a. discusses how there are inherent risks associated with acquiring, financing, operating, and maintaining long-lived assets. The Board may want to consider further refinement of this aspect of the definition or it may be beneficial to provide examples of the conveyance or transfer of real or personal property that fall within this definition.
2. We agree that FASAB should exclude (Question 2d.) "those informal arrangements or transactions that do not share risks or rewards and are solely designed to foster goodwill, encourage economic development, promote research and innovation, coordinate and integrate strategic initiatives." However, it is not clear that these items are excluded from the scope; thus, it may be beneficial to specifically exclude these items.
3. The component entity disclosures required in paragraph 23 seem to be at a very detailed level and may be both burdensome for preparers and overwhelming for readers. Given the current efforts in the Federal financial community to streamline reporting requirements, simplify presentations, and create more user-friendly reporting models, the financial statements may not be the appropriate forum for this level of information.
4. We suggest that the Board consider adding an appendix to the standard to provide disclosure examples for illustrative purposes only. This would aid financial statement preparers to develop the necessary disclosure at the appropriate level of detail, and would ensure consistency in application and presentation of the requirements.

Thanks in advance for your consideration to our comments/observations. Hope you enjoy a happy holiday season.

Carla

Deputy Chief Financial Officer
Social Security Administration