

October 2, 2023

Dear Members of the Board,

As an SFFAS 49 Task Force member, I wish to thank you for the opportunity to serve as a citizen representative. Please accept the following comments on behalf of the many hard-working, tax-paying Americans—including yourselves—who may share my views as an “average citizen.” And please forgive the fact that these comments come to you a bit late as I wanted to first read the comment letters from the preparers and auditors prior to formulating my thoughts.

As a private citizen representing American taxpayers on the FASAB P3 task force, I do not believe taxpayers would—or should—favor anything that represents a “loophole” to private enterprises seeking to do business with the U. S. government in these extremely long-term P3 arrangements. As some respondents have recommended, this would include the Board’s either retaining or altering paragraph 24b, i.e. “exclusion of the amounts of non-federal partner funding in situations where such information was not available.”

Even if the Board were to adopt a higher-threshold, as some respondents have noted, once it is established that it is the Board’s intention to not only permit, but continue such a loophole, it will proliferate without restraint to the balance of the SFFAS 49 requirements and in essence fundamentally weaken—if not over time—totally eviscerate standard 49, which the P3 task force and many of its original members have worked so long and hard to help create.

As a noun the word standard is defined as “a required or agreed level of quality or attainment.” As an adjective it means “used or accepted as normal or average.” In support of eliminating the loophole, I was relieved to see that some government agencies are more willing to enforce the SFFAS 49 standards as written and intended for full disclosure than others. I believe that these agencies who hold themselves to a higher bar represent the best in government as opposed to those who search out ways to avoid transparency in financial reporting.

As we are all aware, come tax time, if we cannot, or do not, provide appropriate documentation related to our taxes to the IRS, regardless of whatever “reasonable” efforts we may—or may not—employ to produce such documents, the IRS does not absolve us from paying our taxes. For the sake of transparency and accountability, therefore, private entities and their sponsoring agencies seeking to partner over the long-term should be held to the same standard of compliance. With all due respect, they must be required to comply with the reporting of risk that the taxpayers may have to absorb if things don’t turn out as intended—just as we taxpayers must comply with IRS standards.

P3 contracts are proliferating at a rapid pace within the federal government, and the

stakes are high. Billions of taxpayer dollars are at risk. At the very least, we—all of us—deserve transparency and accountability.

Thank you for seriously considering my comments on behalf of all taxpayers, and I sincerely hope that you will amend paragraph 24b's exclusion clause as reflected in the Exposure Draft.

Sincerely,
Larry Checco
U.S. Citizen and Taxpayer
