



February 5, 2021

Monica R. Valentine, Executive Director
Federal Accounting Standards Advisory Board
441 G Street, NW, Suite 1155
Washington, DC 20548

Dear Ms. Valentine:

The Greater Washington Society of Certified Public Accountants (GWSCPA) Federal Issues and Standards Committee (FISC) appreciates the opportunity to provide comments on the Accounting and Auditing Policy Committee (AAPC) and the Federal Accounting Standards Advisory Board (FASAB) joint Exposure Draft (ED) titled *Implementation Guidance for Leases & Omnibus Amendments to Leases-Related Topics*.

The GWSCPA consists of approximately 3,300 members, and the FISC includes nearly 20 GWSCPA members who are active in financial management, accounting, and auditing in the Federal sector. We sincerely appreciate the opportunity by the Board and the AAPC to share our views.

While the FISC generally supports the proposed Federal Financial Accounting Technical Release (TR) and the Statement of Federal Financial Accounting Standards (SFFAS) as a whole, we recommend that the Board and the AAPC consider the following comments:

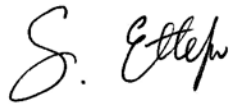
- The FISC recommends that the reference to paragraph 17 of SFFAS 6, *Accounting for Property, Plant, and Equipment* in paragraph 6 of the TR be replaced with paragraph 18.
- The FISC recommends expanding the guidance in paragraph 10 of the TR to provide example situations where cell phone towers or antenna placement agreements would not meet the definition of a lease.
- Although the guidance in paragraph 11 of the TR responds to the specific question related to the impact of a substitution of an underlying asset on the determination of whether the contract conveys the right to control the use of the asset, it is not clear in this scenario how a reporting entity should account for asset substitution under SFFAS 54, *Leases* (SFFAS No. 54). For example, would this trigger the need to remeasure the lease liability? How to account for direct costs that might be necessary to place the substituted underlying asset into service?

The FISC recommends expanding the guidance in this scenario to provide additional information on how this activity should be accounted for, including references to the appropriate sections of SFFAS No. 54 supporting the guidance provided.

Ms. Valentine, Federal Accounting Standards Advisory Board
February 5, 2021

This comment letter was reviewed by the members of FISC and represents the consensus views of our members.

Very truly yours,

A handwritten signature in black ink, appearing to read "S. Ettifa". The signature is fluid and cursive, with a large initial "S" and a stylized "Ettifa".

Sherif R. Ettifa
FISC Chair