



**UNITED STATES DEPARTMENT OF COMMERCE**  
**Chief Financial Officer and**  
**Assistant Secretary for Administration**  
Washington, D.C. 20230

Monica R. Valentine  
Executive Director  
Federal Accounting Standards Advisory Board  
Washington, DC

Dear Ms. Valentine:

The Department of Commerce has reviewed the Exposure Draft – *Omnibus Amendments: Technical Clarifications Addressing Lessee and Lessor Discount Rates and Sale-leasebacks* dated May 9, 2022.

Please find enclosed answers to the questions that were asked of respondents. If you have any questions, please contact me at (202) 482-2715 or [ksalzer@doc.gov](mailto:ksalzer@doc.gov).

Sincerely,

KRISTIN SALZER

Digitally signed by KRISTIN  
SALZER  
Date: 2022.07.06 07:22:25 -04'00'

Kristin Salzer  
Director of Financial Reporting and Policy

Enclosure

cc: Julie Tao  
Bruce Henshel  
Christine Pham

**Please select the type(s) of organization responding to this exposure draft. If you are not responding on behalf of an organization, please select "individual."**

Accounting Firm	<input type="checkbox"/>	
Federal Entity (user)	<input type="checkbox"/>	
Federal Entity (preparer)	<input checked="" type="checkbox"/>	
Federal Entity (auditor)	<input type="checkbox"/>	
Federal Entity (other)	<input type="checkbox"/>	If other, please specify: <input type="text"/>
Association/Industry Organization	<input type="checkbox"/>	
Nonprofit organization/Foundation	<input type="checkbox"/>	
Other	<input type="checkbox"/>	If other, please specify: <input type="text"/>
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**Please provide your name.**

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Organization:

*Please email your responses to [fasab@fasab.gov](mailto:fasab@fasab.gov). If you are unable to respond by email, please call (202) 512-7350 to make alternate arrangements.*

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This proposed Statement would address certain ongoing areas of concern related to leases implementation that were not addressed in SFFAS 60, *Omnibus Amendments 2021*, including:

- clarifying the Board's original intent for discounting lease liabilities and receivables, which should result in a more consistent and comparable application of SFFAS 54, *Leases*, requirements; and
- clarifying the applicability of paragraphs 89-92 of SFFAS 54 to intragovernmental sale-leasebacks and the disclosure requirements applicable to them

**QFR 1** Do you agree or disagree with the proposed amendments to address discounting lease liabilities and receivables, as reflected in paragraphs 3-7 (amending par. 42, 47-48, and 59 of SFFAS 54), and the Board's basis for such proposals? Please provide the rationale for your answer.

**Department of Commerce Response:**

The Department generally agrees with the proposed amendments to address discounting lease liabilities and receivables, as reflected in paragraphs 3-7 (amending par. 42, 47-48, and 59 of SFFAS 54) as the amendments add useful clarifications. The Department does have the following requests and recommendation for FASAB consideration.

1. The Department respectfully requests that a sentence be added to the end of paragraph 42B to the effect of: When there is a methodology change that is not consistent with the prior period, the reporting entity should disclose information about the change in methodology.
2. The Department respectfully requests to include at the end of paragraph 42 the website(s) or other source(s) accessed to obtain the appropriate Treasury security rate.

Furthermore, the Department respectfully requests to include an example on how to obtain Treasury security rates in an appendix to SFFAS 54 or as an amendment to Technical Release 20.

3. Throughout the proposed amendments to SFFAS 54 contained in paragraphs 4,5, and 7, the Department recommends a consistent term be used regarding the marketable Treasury security rate. For example, several terms are used including Treasury rate, Treasury security term rate, and Treasury security rate.

**QFR 2** Do you agree or disagree with the proposed amendments to clarify the applicability of paragraphs 89-92 of SFFAS 54 to intragovernmental sale-leasebacks and the disclosure requirements applicable to them, as reflected in paragraphs 8-9, and the Board's basis for such proposals? Please provide the rationale for your answer.

**Department of Commerce Response:**

The Department partially disagrees with the proposed amendment to footnote 11 to paragraph 89 of SFFAS 54 as reflected in paragraph 8 because we believe that the guidance in paragraphs 314 (Intragovernmental sales of goods and services by a revolving fund) and 315 (Intragovernmental sales of goods and services by a fund other than a revolving fund) do not appear to reasonably relate to the sale of an underlying asset by the owner.

The Department agrees with the proposed amendments to clarify the applicability of paragraph 92 of SFFAS 54 to intragovernmental sale-leasebacks and the disclosure requirements applicable to them, as reflected in paragraph 9, and the Board's basis for such proposals as it adds clarification to disclosure requirements for sale-leasebacks.