

Federal Accounting Standards Advisory Board

FOR MORE INFORMATION:
Domenic N. Savini
(202) 512-6841
savinid@fasab.gov

October 1, 2014

NEWS RELEASE

FASAB Requests Comments on Public-Private Partnerships: Disclosure Requirements.

The Chairman of the Federal Accounting Standards Advisory Board (FASAB), Tom Allen, announced today that the FASAB is seeking input on the exposure draft entitled *Public-Private Partnerships: Disclosure Requirements*.

Mr. Allen notes that “federal entities are increasingly turning to the private sector to help finance and deliver infrastructure, facilities, goods, and services. The resulting arrangements involve risk sharing, are financially complex, and may impose long-term commitments. The information provided as a result of this proposed standard will help users answer questions concerning budgetary resources obtained and used, the costs of providing specific programs and activities, and the associated long-term risks.”

From the outset of the public-private partnerships project members agreed on the objectives of disclosing risks and in particular remote risks, noting the importance of establishing clear and appropriate principles related to risk disclosures while minimizing disclosure overload. Most members believe the proposed standards meet these objectives. However, one member supports an alternative view and proposes three changes to the proposed standards. The member supports (1) narrowing the definition of P3s, (2) limiting disclosure of remote contingencies and more clearly defining the disclosure threshold, and (3) excluding disclosure of business risks.

Mr. Allen says that “this exposure draft represents an important step in meeting the federal reporting objectives because the federal government is directly accountable to citizens for the proper administration of its resources to include the disclosure of long-term risks related to its programs and activities.”

The Board requests comments on the exposure draft, including the alternative view, by January 2, 2015 and encourages respondents to provide the reasons for their positions. The exposure draft in PDF format and the specific questions for respondents in Word format are available on the FASAB website at <http://www.fasab.gov/board-activities/documents-for-comment/exposure-drafts-and-documentsfor-comment/>.