

Subject: File Ref. No. 1850-100 - Comments

The following reflect my personal views and not those of my employer:

Question 1: Lessees

(a) Do you agree that a lessee should recognize a right-of-use asset and a liability to make lease payments? Why or why not? If not, what alternative model would you propose and why?

I question whether there could be any objective means of determining the probabilities underlying the computation of expected value of lease term demonstrated in paragraph B17 without consideration in B18 of macro and microeconomic factors relevant to 'going concern.' On a global scale, there has lately been extensive structural economic upheaval that is likely to continue as the global economy continues to adjust itself in accordance with the economic principle of comparative advantage. I also question whether management would have a propensity to cite cost-benefit factors as a rationale for not diligently apply the requirements of B20, something what would entirely defeat the intent and purpose of the measurement component of the revised standard. Also, B20 needs to be augmented to clarify how differences between lessees and lessors are to be resolved between autonomously managed consolidated entities for the purposes of eliminations.

Steve Kurker