April 21, 2020

Mr. David Bean
Director of Research and Technical Activities
Governmental Accounting Standards Board
401 Merritt 7
Norwalk, CT 06856-5116

Reference: Project No. 3-39, Postponement of the Effective Dates of Certain Authoritative Guidance

The Metropolitan Washington Airports Authority would like to thank you and the Governmental Accounting Standards Board (GASB) staff and board members for your rapid response to provide temporary relief to all state and local governments by considering the delay of effective dates of certain GASB standards and guidance. This will allow organizations to focus on the immediate needs of our constituents during this unprecedented time.

As you are aware, airports were distinctively impacted by GASB Statement No. 87, Leases. The standard accounted for our unique relationship with the airlines but still requires airports to report many of the leases of our facilities per the new guidance. The process of identifying, quantifying, consolidating, recording and reporting on all of the leases has been a huge undertaking for many airports with few, if any, complete in the task.

The COVID-19 Pandemic has also impacted the air travel industry and the airports. Air traffic is down as much as 90% and the airports are fielding inquiries from many of our tenants on available relief measures. Some of our agreements have automatic relief measures in them based on airline or passenger traffic, but many do not. Our organization, a large two airport system, has granted some immediate relief in the form of payment deferrals but final relief measures are still many, many months away from being concluded.

Our organization is one of the earliest implementers of GASB 87 as our year end is December 31. Our current effective date is January 1, 2020. We also have a multi-year presentation in our Comprehensive Annual Financial Report. Because the standard requires a retrospective application for all presented years, our implementation date is actually January 1, 2019. With the new guidance in this exposure draft, our effective date will be moved to January 1, 2021 and the presentation in the CAFR to January 1, 2020.

While we appreciate the extra year the GASB has granted in this exposure draft, the extension of a single year for GASB 87 does little to answer our concerns on the implementation of this standard. With the pandemic still in its early stages and the unknown impact to the global economy and air travel specifically, we cannot predict or assume we will be complete with our discussions with our tenants in
2020 and feel many relief measures may occur as late as 2021. Certainly, the complete impact to our leases because of this pandemic is still very much an unknown. As you can imagine, this uncertainty makes it extremely difficult to quantify the financial reporting requirements/impact required by GASB 87 on the hundreds of leases we need to analyze.

Therefore, the Metropolitan Washington Airports Authority would request the GASB change this exposure draft to allow for a two (2) year extension to the effective date of GASB 87. We know a two year extension was discussed prior to the issuance of this draft and while we understand the Board’s concerns, we feel that is it not the complexity of the implementation that warrants the extension but the complexity of the current situation that warrants the additional extension. Many factors required for full implementation of the standard may not be fully known at the implementation date.

Thank you for your consideration.

[Signatures]

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