Reporting Financial Performance: The Key to Resolving Many Vexatious Accounting Standard Setting Issues?

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During my time on the FASB, the International Accounting Standards Board (IASB) and FASB have suspended work on the following joint projects due to inherent complexities in identifying workable solutions: (1) financial statement presentation, (2) measurement phase of the conceptual framework, and (3) financial instruments with characteristics of equity. I believe that a key to resolving these issues may be: (1) determining what financial statement users seek in the reporting of financial performance (income) and (2) revising financial performance reporting to meet these needs. The purpose of this lecture is to propose a revised financial performance reporting model and to explore what it might mean for the three projects mentioned above.

Financial Performance Reporting

The current financial performance reporting model has three key areas of focus that drove my considerations in proposing revisions to the financial performance reporting model to better meet users’ needs: (1) other comprehensive income (OCI) and recycling, (2) earnings per share (EPS), and (3) non-GAAP measures.

OCI and recycling

In considering the reporting of financial performance, the primary focus of our constituents has been on determining which components of income should be reported in OCI and whether, and in what circumstances, OCI items should be
recycled to net income (NI). Solutions to these issues require: (1) developing a
definition of OCI items that differentiates them from items in NI and (2) identifying
what we are trying to achieve with the reporting of NI that suggests OCI items should
be reported twice within different measures of financial performance by recycling
OCI amounts to NI.

Conceptual Framework Definitions. Let’s first explore whether the current conceptual
framework provides a basis for differentiating OCI items from items in NI. Paragraph
70 of Concept Statement No. 6 (FASB 1985)\(^1\), defines comprehensive income as “…
the change in equity of a business during a period from transactions and other
events and circumstances from nonowner sources. It includes all changes in equity
during a period except those resulting from investments by owners and distributions
to owners.” In addition, Concepts Statement No. 5 (FASB 1984)\(^2\), describes earnings
(a synonym for NI) as “…a measure of performance for a period…” (para. 34) that
“focuses on what the entity has received or reasonably expects to receive for its
output (revenues) and what it sacrifices to produce and distribute that output
(expenses). Earnings also include results of the entity’s incidental or peripheral
transactions and some events and circumstances stemming from the environment
(gains and losses)” (para.38). Finally, paragraph 42 of Concept Statement No. 5,
defines other comprehensive income as “…certain classes of gains and losses are
included in comprehensive income but are excluded from earnings”.

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Business Enterprises*, FASB: Norwalk, CT.
Because the definition of other comprehensive income fails to define the characteristics of the gains or losses excluded from earnings and because earnings is described to include the results of incidental or peripheral transactions, I conclude that current Conceptual Framework definitions are not useful in (1) differentiating OCI items from NI items and (2) indicating why items should be reported twice in CI and NI.

*Are There Consistent Characteristics that Differentiate OCI Items from NI?* Another potential means for developing a definition of OCI that differentiates OCI items from items in NI is to evaluate whether there are unique characteristics that can be associated with current OCI items in U.S. GAAP. Potential characteristics that may form a basis for differentiating OCI items from items in NI include:

- Degree of Persistence
- Core vs. non-core
- Management control (stewardship)
- Remeasurements
- Degree of measurement uncertainty
- Time horizon until realization
- Operating vs. Investing and Financing

FASB and the IASB co-sponsored a conference in December 2011 entitled, “Other comprehensive income and the presentation of earnings”. The conference is attended annually by members of the FASB and IASB and our staffs and about sixty individuals from our key constituents, including academics, regulators, users, auditors, and preparers. The first case used at the conference asked participants to identify the key characteristics of every OCI item required to be reported under US GAAP or IFRS. Once those characteristics were identified, the case then asked
conference participants whether they could identify items with the same characteristics reported in NI. For every OCI item examined, conference participants identified at least one income component with the same economic characteristics within NI.

Conclusion: There is no differentiating set of characteristics to define what items are included in OCI rather than NI other than that standard setters decided for political reasons to present those items below the line net income. This also means we have no basis for identifying what we are trying to achieve with the separate reporting of NI. Query: Is this approach working in serving financial statement users’ needs relating to the reporting of financial performance?

**EPS**

The effort to differentiate OCI items from items in NI has the primary outcome of defining the earnings amount reflected in numerator of the single most important income statistic derived from US GAAP reports: EPS. Financial statement users pay significant attention to EPS. However, some users also pay even more attention to non-GAAP measures provided by management and the numbers and types of these measures are proliferating. This suggests EPS (and NI reporting) increasingly may not be serving all users’ needs. Query: Could examining the primary types of non-GAAP measures provide insights into what users primarily are seeking from reporting financial performance?

**Non-GAAP Measures**

Seven reports on non-GAAP measures provided by preparers, users and auditors at the FASB’s October 2012 Financial Accounting Standards Advisory Council (FASAC)
meetings indicate non-GAAP measures generally serve the purpose of reporting financial performance through the eyes of management. Overall the reports indicate that there primarily are two types of non-GAAP measures:

- **Non-financial** measures that most often provide volume information (# of clicks, # of tweets, # of barrels of oil etc.)
- **Financial** measures that exclude from net income items that are distortive of operations and/or one-time, non-recurring items

These latter financial measures primarily result in a number that better depicts the results of core, recurring operations and suggest that that is the primary financial performance number of interest to financial statement users.

*Observations about Current Income Statement Reporting*

Most income statements prepared by financial statement issuers are quite abbreviated, presenting less than 10 line items, including 2-3 totals and subtotals. This abbreviated reporting causes the user to focus primarily on the one single bottom line number – NI. Standard setting efforts in the US, therefore, primarily have taken a bottom up approach that concentrates on getting the bottom line summary number right by (1) excluding certain purportedly irrelevant OCI items from NI and (2) recycling items reported in OCI to NI because if reporting financial performance is about getting one number right, clean surplus accounting requires that all changes in equity be reported in NI, except those resulting from investments by owners and distributions to owners.

*A Proposed Revised Model for Reporting Financial Performance*

Does the current approach to reporting financial performance serve users well? The proliferation of the Non-GAAP measures suggests to me that the answer is no. To
understand why, I think about the primary reasons I invest in certain entities and not others. I primarily invest in an entity because I believe its core business activities have the potential to provide a persistent (recurring) positive expected return that compensates me for the risk taken. This view suggests that the primary income number in which I am interested is operating income. In addition, to help me in determining whether that number will recur, it also suggests that recurring operating items should be presented separately from one-time, non-recurring operating items. Note this top down approach to highlighting operating income and separately presenting recurring and non-recurring operating items is perfectly consistent with financial non-GAAP measures provided to and/or demanded by current users of financial reports.

However, is operating income the only financial performance information needed by users? In examining my investment decisions, the answer again is no because the additional changes in equity for the period (exclusive of transactions with owners) also affect the total amount of net assets available for dividends. This suggests that I also am interested in the outcomes for the period of the investing, financing, tax and discontinued operations activities of the entity. In addition, it suggests that I am most interested in two key subtotals: operating income (my primary interest) and comprehensive income with separate reporting of recurring and non-recurring items within each subtotal. Finally, because non-operating items never become operating, I am not interested in recycling between those two income categories.

This proposed performance reporting model could be operationalized by requiring presentation of one statement of comprehensive income with one required intermediate operating income subtotal. However, there may be two key concerns with such presentation. First, the most important subtotal is buried in the middle of
the single statement of comprehensive income, which might cause users to focus more on the bottom line CI number rather than operating income. Second, assuming continuing demand for the reporting of an EPS number, on which income number(s) should EPS be based?

I propose two potential solutions to those issues. First, to require presentation of the most important income number as a bottom-line amount I would consider requiring presentation of two statements of financial performance instead of one. The first statement would be a Statement of Operating Income and the second would be a Statement of Comprehensive Income that begins with operating income and presents all nonoperating income items that yield comprehensive income for the period. To give a complete picture in one location of all items affecting CI for the period, these statements would be required to be presented consecutively in financial reports. Second, I would either (1) require an EPS number for both operating income and CI or (2) provide users with the weighted average number of common shares outstanding for the period (i.e., the denominator of the EPS number) and let them calculate the income amounts per share that they believe are most relevant to their decisions.

**Potential Implications of the Proposed Performance Reporting Model for Key Projects**

*Financial Statement Presentation*

In July 2010, the FASB and IASB staffs posted a staff draft of a final financial statement presentation standard on both organizations’ websites. The staff draft was not issued as a final standard, in part, because after redeliberating all issues raised by constituents in response to the original exposure draft the boards were still hearing that the final model was too ambitious, causing major changes in
presentation that many constituents stated were not cost-beneficial. A primary objection also raised was that the project failed to differentiate OCI items from NI items, which many said was the primary issue relating to performance reporting. In spring 2011, the boards officially stopped work on this project to concentrate efforts on four higher priority projects: revenue recognition, leasing, financial instruments and insurance.

The objective of the financial statement presentation project is to improve the usefulness of financial statements by addressing the following issues with current financial statements.

- There is no common format for financial statements
- Relationships between individual statements are unclear
- Dissimilar items are aggregated into highly simplified, condensed amounts

The proposals in the staff draft addressed these issues by (1) providing a common organization and presentation of information in financial statements, (2) establishing a clear relationship between the individual statements, and (3) providing detail on the nature of, and changes in, assets and liabilities, revenue and expenses, and cash flows. The key features of the financial statement presentation requirements in the staff draft include:

- Separation of operating, investing, financing, tax, and discontinued operations activities across all of statements
- More detailed reporting
  - of expenses by function (Sales, COGS, G&A)
  - of expenses by nature (Materials, Labor, Advertising, Pension)
  - of assets and liabilities by measurement bases (Fair Value, Cost)
• Direct method for presenting operating cash flows
• Analysis of changes in balance sheet line items
• Remeasurement information in a single note

The staff draft proposed a consistent structure for all financial statements (see below) with each statement presenting four major sections of activities: business, financing, income tax and discontinued operations. Note that the business section includes operating (core) and investing (non-core) categories and within the operating category a subcategory for operating finance activities (leases, pensions, vendor financing) that have both an operating and finance component. The financing section includes debt and equity and capital expenditures for operating assets are classified as operating items (no longer an investing item).

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In the statement of comprehensive income expenses would be disaggregated by function (cost of goods sold, SG&A etc.) with a breakdown of expenses by nature grouped by function required in the segment note. Total comprehensive income would continue to be presented in two parts: NI and CI with separate identification of OCI items as operating, investing or financing.

The staff draft also required separate presentation of the remeasurement components of income and expense items recognized in the statement of comprehensive income. A remeasurement is defined as an increase or decrease in the carrying amount of an asset or a liability that is the result of:

- A change in (or transaction at) a current price or value (e.g., fair value change in a security, loss on sale of receivable)
- A change in an estimate of a current price or value (e.g., impairment of goodwill)
- A change in any estimate or method used to measure the carrying amount of an asset or liability (e.g., change in litigation accrual)

The primary benefits of this overall statement structure is that the relationship between activities across statements is more transparent, making it easier to
calculate “activity based” metrics – e.g., return on operating assets, cash collections as a percentage of operating income.

Constituents complained that the breakdown of the financial statements into so many sections complicated the statements too much and caused the balance sheet to no longer balance because it would no longer be presented in the assets equal liabilities plus equity format. In addition, constituents complained that the statement of comprehensive income continued the arbitrary reporting of certain items in other comprehensive income, failing to resolve what they consider is the key issue in reporting financial performance: providing a basis for OCI items and recycling.

**Implications of the Proposed Financial Reporting Model for the Financial Statement Presentation Project.** The proposed performance reporting model provides a mechanism for selecting the most important items to focus on in the financial statement presentation project to increase its benefits while potentially reducing its cost. The proposed financial reporting performance model indicates that the following parts of the project perhaps will have the greatest benefit to financial statement users.
• Focusing the section breakdown in all of the statements on separating operating activities from all other items, simplifying the complexity of the statements while still facilitating analysis across statements
• Requiring a breakdown in the performance report of recurring and non-recurring items in the operating and CI sections either on the face or the notes and limiting remeasurement items identified to one-time, non-recurring amounts
• Eliminating the need in performance reporting for (1) defining other comprehensive income items and (2) recycling, thereby addressing the primary issues raised by constituents about the performance reporting model

The proposed performance reporting model also raises questions about whether other aspects of the financial statement presentation project are needed to meet primary users’ needs, including

• More detailed reporting of expenses by function and nature
• Whether remeasurements should include recurring items
• Direct method for presenting operating cash flows and a reconciliation of operating income to operating cash flows
  o Perhaps instead requiring footnote presentation of only cash collections from customers and cash paid to suppliers
• Analysis of changes in balance sheet line items

Query: Would this more streamlined version of the project change constituents’ views about whether the project is cost-beneficial while still providing better information to meet users’ needs? I believe it could form the basis of refining the objectives of the project when it is reactivated in the future.

*Measurement Phase of the Conceptual Framework*
Work on the measurement phase of the Conceptual Framework project was suspended in May 2011 to concentrate board efforts on higher priority projects. In addition, progress was slow because the task is so challenging. The work so far on the project focused primarily on identifying measurement methods to be used in the balance sheet (initial measurement) rather than the income statement (subsequent measurement). Preliminary decisions were that future financial reporting should incorporate both historical cost (HC) and fair value measures (FV). The challenge was developing a framework for when each should be used.

According to Concepts Statement No. 8 (FASB 2010)\(^3\), the objective of financial reporting is to provide decision-useful information to help capital providers assess (1) the amount, timing, and uncertainty of cash flows to be received by them from the entity and (2) management’s stewardship over the net assets entrusted to them by capital providers. The income statement can provide the most useful information in making those assessments because accrual accounting is designed to best reflect the magnitude (and variability) of the economic effects of transactions and events occurring in specific periods. Query: Would an income statement focus based on the proposed performance reporting model provide a new perspective that facilitates identification of when fair value vs. historical cost measures should be used?

Under a HC measurement system, the income statement information that typically is provided includes (1) recurring income and expenses, (2) impairment losses on assets, and (3) realized gains or losses on sales or settlements. In contrast, under an FV measurement system, the income statement information that can be provided

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includes all of the income items reported under a HC system (if reported separately, which is not always the case) plus incremental unrealized gains/losses that need to be recognized to reflect the full change in FV for the period. Thus, from an income statement perspective, the choice of FV versus HC can be framed as a decision about the potential decision-usefulness of providing information about unrealized gains/losses in addition to the common income statement information that could be reported under both measurement attributes.

I also note that recurring income and expense amounts often are persistent. As an example, the reported interest income on an investment in a fixed-rate debt security is persistent for all periods the financial asset is held because both the quantity of the security (i.e., its principal amount) and its rate of return (the fixed interest rate) remain unchanged from period to period. Thus, if these recurring amounts are reported separately in the income statement in an FV model, all reported changes in FV will not follow a random walk. Therefore, counter to the view espoused in some academic research, the income statement need not be redundant to the balance sheet in a FV model.

*Potential Implications of Proposed Financial Performance Reporting Model for the Measurement Phase of the Conceptual Framework.* Selection of HC and FV measurements requires evaluation of the relevance and reliability (representational faithfulness) 4 of the alternative measures. There are two common perspectives in most academic research about FV and HC that typically suggest that the primary issue that drives the differences in demand or decision-usefulness of the two

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4 FASB (2010) replaces the term “reliability” with the term “representational faithfulness” to avoid confusion about what the term “reliability” means. Because many still believe the selection of FV or HC primarily involves a tradeoff between relevance and reliability, I continue to reference reliability (as well as representational faithfulness) in the remainder of this paper.
measures is the tradeoff between the relevance and reliability. These common research perspectives have led to the following common assertions about HC and FV:

- From a balance sheet perspective, HC always is assumed to be more reliable than FV because the original HC transaction price is observable.
- From a balance sheet perspective, FV always is assumed to be more relevant than HC.

Note, these conclusions are derived from a balance sheet focus that primarily evaluates the relevance and reliability of alternative measures at initial measurement. In contrast, the proposed financial performance model takes an income statement focus concentrating in the implications for subsequent measurement. Therefore, its application to the measurement phase of the conceptual framework may result in different conclusions about the importance of relevance and reliability (or representational faithfulness) in the selection between HC and FV measures.

*From an income statement perspective, is HC always more reliable than FV?* The reliability or representational faithfulness of alternative measurement attributes is based, in part, on the nature and amount of judgments and estimates required to implement each measure. The greater amount of judgments or estimates necessary to apply a measure the less reliable or representationally faithful the measure is believed to be. Judgments and estimates can occur at both initial measurement and subsequent measurement.

Under an HC model, the judgments and estimates at initial measurement of an asset are quite limited because the initial transaction price usually is observable with the
primary judgments and estimates pertaining only to whether any costs incurred at acquisition should be capitalized as part of the carrying value of the asset because they are considered a cost of getting the asset ready for its intended use.

Under an HC model, the nature and amount of judgments and estimates relating to subsequent measurement of assets can vary significantly depending on the income statement line item to which they pertain. For recurring income and expenses, the nature and amount of judgments and estimates depend on the type of asset/liability, financial or nonfinancial. For financial assets and liabilities, the judgments and estimates relating to measuring recurring income or expenses are few because there is little difficulty in measuring interest or dividend income/expense. In contrast, for nonfinancial assets, the judgments and estimates relating to measuring recurring income or expenses are many, including but not limited to determining patterns of benefit, useful lives, and salvage values. Most challenging under an HC model is subsequent measurement relating to asset impairment. These judgments and estimates are many, including the evaluation of whether impairment triggers have been met and estimation or measurement of one or more of the following items in determining the impairment amount: expected cash flows, discount rates, and fair values. Finally, under an HC model, judgments and estimates relating to the determination of realized gains or losses on the sale of an asset are few, if any.

If all of the HC income components for assets/liabilities described above are presented separately in the income statement under the FV model, the nature and amount of judgments and estimates under an FV model generally will be similar to those under an HC model. The primary difference is that certain estimates and measurements must be made on a recurring basis under an FV model at perhaps both initial and subsequent measurement rather than generally being required only
when assets are impaired under an HC model. However, because the nature of the judgments and estimates across the two systems do not vary significantly, I make the following assertion.

**Assertion:** From an income statement perspective, reliability (or representational faithfulness) cannot be the primary factor driving the selection of FV versus HC measures because the reliability of income statement information does not vary significantly across measure.

Thus, from an income statement perspective, HC cannot always be considered more reliable than FV.

**From an income statement perspective, is FV always more relevant than HC?** As described above, from an income statement perspective, the only additional information provided by an FV model, with full income component reporting, is the recognition in income of unrealized gains/losses. Do unrealized gains/losses always provide useful information in assessing either the future cash flow prospects from the entity or management's stewardship? The answer generally is yes if it is likely management will sell the asset or transfer the liability before maturity or the end of its useful life. In such circumstances, unrealized gains/losses provide useful information about the potential change in wealth the entity will experience if an asset is sold or the liability is transferred before its maturity or the end of its useful life. This information is useful in assessing both cash flow prospects from the entity and the

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5 Another less significant difference is that under a FV model no acquisition costs would be capitalized as part of the asset; these costs would be expensed as incurred.
value realized by the entity from management deciding to sell (transfer) rather than hold the asset (liability).

Unrealized gains/losses reverse (i.e., are remeasured to zero) if an asset or liability is held to maturity or the end of its useful life and, if an asset or liability is unlikely to be sold or transferred before maturity or the end of its useful life, unrealized gains/losses therefore only provide very limited information about the likely amount, timing, and uncertainty of cash flows prospects that could be realized from the entity. When the asset or liability is unlikely to be sold or transferred before maturity or the end of its useful life, unrealized gains/losses mostly provide relevant information about the opportunity cost of management holding rather than selling (transferring) the asset (liability). However, users of financial statements have indicated a preference for opportunity cost information to be provided in the notes to the statements; information in the statements themselves should be limited to reflecting the outcomes of management decisions.

Thus, whether unrealized gains/losses information is decision-useful (i.e., relevant) primarily depends on whether the asset is likely to be sold or liability likely to be transferred before maturity or the end of its useful life. The likelihood an asset or liability will be sold or transferred before maturity or the end of its useful life depends on whether management has the incentive and ability to sell the asset before its maturity or the end of its useful life. Factors that affect management’s incentive and ability to sell the asset before maturity or the end of its useful life include (1) whether the asset is being used internally in a manner that makes it hard to sell (i.e., is it being used alone or together with other assets?) and (2) whether there is an external market on which that asset can be exchanged. Factors that affect management’s incentive and ability to transfer a liability before maturity is whether
there is legal restriction against transfer and, if not, whether there is a market available on which the liability can be transferred.

Because these factors can vary significantly for different types of assets (e.g., financial versus many nonfinancial assets) and liabilities, I have arrived at the following assertion that drives my standard-setting decision-making.

Assertion: From an income statement perspective, relevance of FV information depends on the nature of the asset or liability and how it is being used or able to be used within the business. Relevance should be the driving factor for voluntary or mandatory selection of FV or HC.

Thus, from an income statement perspective, FV should not always being considered more relevant than HC.

Outcomes of Proposed Performance Reporting Model for Measurement. Property, plant, and equipment (PP&E) and intangible assets often (1) are used synergistically with other assets in the business and thus are more costly to extract and sell and (2) do not have secondary markets on which they can be sold. Financial liabilities often are restricted from being transferred and, therefore, do not have secondary markets on which they can be transferred. These characteristics make it less likely that management will have the incentive and/or ability to sell these assets or transfer these liabilities before maturity or the end of its useful life. This suggests that reporting of unrealized gains/losses on these nonfinancial assets and financial liabilities in income is less likely to provide relevant information; unrealized gains/losses would merely reverse if the asset is held to the end of its useful life.
In contrast, financial assets and investment properties often (1) are not used synergistically with other assets in the business and thus are not as difficult to sell without hindering other business activities and (2) have secondary markets on which they are sold. These characteristics make it more likely that management will have the internal incentive and the external ability to sell these assets before the end of their useful lives. This suggests for financial assets and investment properties that FV accounting and reporting of unrealized gains/losses in income is more likely to provide relevant information to users of the financial statements.

Financial Instruments with Characteristics of Equity

The financial instruments with characteristics of equity (FICE) project was suspended due to complexities introduced in trying to identify whether and when hybrid instruments have characteristics that are more consistent with either plain debt or common stock – a balance sheet focus to classification. Since hybrid instruments often have characteristics of both debt and common stock, the boards were frustrated in developing a non-complex, consistent classification scheme that did not permit structuring to achieve certain income and leverage targets.

- Hybrid instruments are like equity because there is no obligation to make cash payments but many are settled in stock
- Hybrid instruments are like debt because any payments have a dilutive effect on dividends available to common

Query: Could an income statement focus to classification consistent with the proposed performance reporting model provide a non-complex classification scheme, while properly indicating the how income affects the future cash flow prospects of capital providers from the entity?
Potential Implications of Proposed Financial Performance Reporting Model for Financial Instruments with Characteristics of Equity. From a performance reporting framework, the distinction between liabilities and equity serves to differentiate the items reported in comprehensive income from the items reported as transactions with owners. EPS is the primary metric derived from income reporting. One goal of EPS is to report the earnings available to existing common shareholders after all payments have been made to other claimants on the assets of the entity, i.e., EPS takes a dilution perspective on income measurement. From this perspective, comprehensive income should reflect distributions to all claimants that dilute the earnings available to common. This suggests that in the proposed performance reporting model that all hybrid instruments should be classified as liabilities, which is consistent with the basic ownership approach originally supported by the FASB.

There are potentially two key issues that must be addressed to make this classification work. If hybrid instruments do not have required contractual cash payments but rather are settled in stock, will we need to distinguish between those two types of liabilities on the face of the balance sheet? This also may necessitate a change in the definition of a liability in the conceptual framework to define liabilities as instruments with present obligation to settle in cash or stock. In this scenario, preferred stock also would be classified as equity, thereby modifying the full dilution approach to include in equity all perpetual instruments with no required contractual obligations.

Key questions: Will the proposed financial reporting performance model that would require the separate reporting of the income effects of hybrid instruments outside of operating income with non-recurring changes reported separately from recurring changes, provide the necessary information for users to properly evaluate the effects
on future cash flows from the entity and, therefore, ameliorate the concerns of financial statement issuers about the reporting of such changes in comprehensive income?

Conclusion

The current reporting model for net income and comprehensive income is broken:

- Concentrating on separate reporting of OCI items from NI,
- Failing to provide the a clean measure of operating income, and
- Failing to separate recurring income items from one-time, non-recurring changes in wealth.

Users of financial statements have indicated that in their analyses that they first attempt to separate operating income from other income and then to distinguish in both categories persistent income items from one-time, non-recurring items. These observations have caused me to suggest a new model for reporting financial performance that facilitates such analyses. This model also has the potential to provide new perspectives on resolving some vexatious accounting issues.

Some may assert that my suggested solutions are too radical. However, at minimum, taking an income statement perspective on the issues based on the proposed performance reporting model provides an alternative perspective to consider in considering these issues that may open new dialogue that suggests a more consistent framework for resolving them.