

From: Alexis Stowe
Sent: Tuesday, August 02, 2011 9:30 PM
To: FASAB
Cc: Norma H. Tolson; Priscilla Sampson
Subject: GSA Comments: FASAB Exposure Draft on Extended Deferral of the Effective Date of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs

Dear FASAB Director,

Attached are GSA's comments on the subject FASAB ED. Thank you for the opportunity to provide comments.

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Director of Financial Policy and Operations (BC)/ Deputy CFO
Office of the Chief Financial Officer
General Services Administration
1275 First St. NE, Washington, D.C. 20417

Question	Para No.	SUBJECT/TITLE (FASAB Exposure Draft on Technical Bulletin 2011-2: Extended Deferral of the Effective Date of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs.	Yes	No	RECOMMENDATIONS/COMMENTS	Name of Commenter	Office	Email Address/Phone
		General Comments			Agree. The proposed additional 1 year deferral of TB 2006-1 is necessary to develop a reliable estimate of asbestos-related cleanup costs.	Priscilla Sampson	BCA	Priscilla.sampson@gsa.gov
		Do you agree or disagree with the proposed additional one-year deferral of Technical Bulletin 2006-1? The new effective date would be for reporting periods beginning after September 30, 2012. Please explain the reasons for your position in as much detail as possible (see discussion in pars. A1 through A9).	x		Agree. Recognition and measurement of asbestos cleanup costs are very complex and comprise many components. Another year to plan for these proposed costs and measurement methodologies would make the estimates stronger and more meaningful.	Harry Kaplan	BCB	harry.kaplan@gsa.gov (202) 219-0540
Q1			x		We agree with and strongly support the proposal for the one-year deferral of TB 2006-1. To-date, GSA has not yet developed formalized policy or procedures to implement the technical bulletin, and will be relying on contracted support to accomplish this task. It is likely that issuance of guidance within GSA and subsequent training thereon will not be accomplished to provide data into our financial reporting process before the middle of FY 2012. Accordingly, without this extension, we would not be compliant with the requirements of the bulletin for a significant portion of the fiscal year. We are also greatly interested in continuation of the roundtable discussions that FASAB has started related to recognizing estimated asbestos cleanup costs, to get a better understanding of how agencies are implementing the guidance, and to obtain further clarifications that the FASAB staff or AAPC may be able to provide. The proposed extension appears to provide the additional time necessary for agencies to have such interaction, and prepare for successful implementation of the requirements.	Ed Gramp	BCC	edward.gramp@gsa.gov

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					Public Building Service (PBS) agrees with the proposed additional one-year deferral of TB 2006-1 to become effective after September 30, 2012 (FY2013). PBS Portfolio encompasses over 9,600 assets that includes over 1,500 owned assets, valued at \$85.5 billion. GSA needed the additional year to: -- Assess our different property types and collect both friable and non-friable -- Conduct significant number of surveys. Due to the current resource constraints, coupled with probable future budget cuts, the requirement to complete additional surveys imposes financial challenges. -- Formulate the estimation methodologies. We have overarching concerns that the estimation methods could potentially overstate our expenditure and liability balances based upon generic rules or assumptions that we will need to apply across our owned portfolio. Recording the estimate at the individual asset level is also causing us a concern, that it could possibly distort the true reflection of the assets current financial performance. -- Provide training to our analysts, asset managers and senior management throughout our organization on how to use this information on the asset's income and expense statements and the impact to GSA performance measures. -- Develop and implement policy and procedures to capture the data for reporting purposes. The process of capturing the data and the complexities in our systems to track such details of actual costs embedded in projects will require extensive re-engineering.	Deborah Holden	PFF	deborah.holden@gsa.gov/817-978-0072
			X		Federal Acquisition Services is in general agreement with the one-year deferral of TB 2006-1 so that meaningful and reliable estimates can be determined as to the overall cost to the government for these liabilities.	John B. Wotring	QB	John.Wotring@gsa.gov (Phone 703.605.5442)