



July 27, 2011

Ms. Wendy M. Payne, Executive Director
Federal Accounting Standards Advisory Board
441 G Street, NW, Suite 6814
Washington, DC 20548

*Advancing
Government
Accountability*

2208 Mount Vernon Ave.
Alexandria, VA 22301-1314
PH 703.684.6931
TF 800.AGA.7211
FX 703.548.9367
www.agacgfm.org

Dear Ms. Payne:

On behalf of the Association of Government Accountants (AGA), the Financial Management Standards Board (FMSB) appreciates the opportunity to provide comments to the Federal Accounting Standards Advisory Board (FASAB) on its July 13, 2011 exposure draft of Technical Bulletin 2011-2. This bulletin proposes to defer the effective date of Technical Bulletin 2006-1, *Recognition and Measurement of Asbestos-Related Cleanup Costs*.

The FMSB is comprised of 25 members (list attached) with accounting and auditing backgrounds in federal, state and local government, as well as academia and public accounting. The FMSB reviews and responds to proposed standards and regulations of interest to AGA members. Local AGA chapters and individual members are also encouraged to comment separately.

Technical Bulletin 2011-2 proposes to provide federal entities with an additional one year extension to implement the guidance regarding recognition and measurement of asbestos-related cleanup costs. This represents the second extension granted to federal entities on this matter. We agree that a deferral is warranted given that agencies with a significant number of buildings and square footage have stated that they are not yet ready to implement the requirements of Technical Bulletin 2006-1.

As we asked last year, we question whether there is even a need for such a standard since there are vast differences between agencies and a "one size fits all" approach may not be the best one. Perhaps the FASAB might consider deferring final implementation of this standard until the on-going efforts of FASAB and the CFO Council (cited in Appendix A, A8) to coordinate implementation of Technical Bulletin 2006-1 is complete. That effort could provide savings through the sharing of relevant cost information and methodologies amongst the federal agencies. This might result in more accurate estimates developed in a cost effective manner that can be applied across federal agencies.



Q1. 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).

We agree with the proposed change.

We appreciate the opportunity to comment on this document and would be pleased to discuss this letter with you at your convenience. No member of the FMSB objected to the issuance of this letter. If there are any questions regarding the comments in this letter, please contact Steven E. Sossei, CPA, AGA's staff liaison for the FMSB, at ssossei@agacgfm.org or at 703-684-6931, extension 307.

Sincerely,

A handwritten signature in black ink, appearing to be 'EB', with a long horizontal flourish extending to the right.

Eric S. Berman, CPA, Chair
AGA Financial Management Standards Board

cc: Richard O. Bunce, Jr., CGFM, CPA
AGA National President

Association of Government Accountants Financial Management Standards Board

July 2011 – June 2012

Eric S. Berman, Chair
Katherine J. Anderson
Frank D. Banda
Robert L. Childree
Irwin T. David
Jeanne B. Erwin
J. Dwight Hadley
David R. Hancox
Ruthe Holden
Rashad A. Holloway
David C. Horn
Albert A. Hrabak
Matthew A. Jadacki
Drummond Kahn
Simcha Kuritzky
Valerie A. Lindsey
Edward J. Mazur
Craig M. Murray
Suesan R. Patton
Harriett Richardson
Clarence L. Taylor, Jr.
Roger Von Elm
Donna J. Walker
Stephen B. Watson
Sheila Weinberg

Relmond P. Van Daniker, Executive Director, AGA (Ex-Officio Member)
Steven E. Sossei, Staff Liaison, AGA

-----Original Message-----

From: Werner, Nanette C DLA CIV INSTALLATION SUPPORT

[\[mailto:Nanette.Werner@dla.mil\]](mailto:Nanette.Werner@dla.mil)

Sent: Monday, August 01, 2011 5:01 PM

To: FASAB

Subject: Comments to Extended Deferral of the Effective Date of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs

Enclosed are the Defense Logistics Agency's (DLA) comments to the "Extended Deferral of the Effective Date of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs (Technical Bulletin 2011-2)":

Question for Respondents: 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 period beginning after September 30, 2012. Please explain the reasons for your position in as much detail as possible.

DLA concurs with the deferral. However, it shouldn't impact the methodology and approach DLA plans to use to address this requirement.

An additional comment to Technical Bulletin 2006-1: In order to be an environmental liability (EL), there must be a regulatory driver. The only regulatory driver for asbestos is friability. As it is an imminent safety hazard, friable asbestos requires cleanup immediately. Since the cleanup must be done immediately, it would not cross fiscal years.

Based upon the definition, it would not be an EL. Non-friable asbestos has no regulatory driver and therefore, it is not an EL. Please clarify and provide clear guidance how asbestos is an EL.

If you have any questions, please let me know.

Thanks, Nanette

Nanette Chevrier Werner

Environmental Restoration Division Chief Environmental Management DLA Installation Support



UNITED STATES DEPARTMENT OF COMMERCE
Chief Financial Officer
Assistant Secretary for Administration
Washington, D.C. 20230

JUL 29 2011

Wendy M. Payne
Executive Director
Federal Accounting Standards Advisory Board
Washington, DC

Dear Ms. Payne:

The Department of Commerce has reviewed the Exposure Draft, *Extended Deferral of the Effective Date of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs*, dated July 13, 2011.

Please find enclosed the answer to the question asked of the respondents. If you have any questions, please contact me at (202) 482-1207 or galston@doc.gov or Bruce Henshel at (202) 482-0646 or bhenshel@doc.gov.

Sincerely,

Gordon T. Alston
Deputy Director for Financial Management

Enclosure

cc: Lisa Casias
Diane Marston
Tony Akande
Bruce Henshel

Department of Commerce Response

FASAB Exposure Draft, *Extended Deferral of the Effective Date of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs*

Prepared by: Department of Commerce, Office of Financial Management

Date Prepared: August 1, 2011

Question and Answer

1. 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).

Department of Commerce Response:

The Department of Commerce strongly agrees with the proposed additional one-year deferral of Technical Bulletin 2006-1. The additional one-year is critical to the Department of Commerce, in order to allow the Department the appropriate time and effort needed to implement Technical Bulletin 2006-1, which is very complex and has very significant requirements applicable to the Department.

From: Tucker, Gerald A [\[mailto:Gerald.A.Tucker@hud.gov\]](mailto:Gerald.A.Tucker@hud.gov)

Sent: Thursday, July 28, 2011 1:11 PM

To: FASAB

Subject: RE: Technical Bulletin 2011-2, Extended Deferral of the EffectiveDate of Technical Bulletin 2006-1, Recognition and Measurement ofAsbestos-Related Cleanup Costs

HUD concurs with the extended deferral of the effective date of Technical Bulletin 2006-1.

Should you have any questions, please contact Jerry Tucker, Director, Financial Policy and Procedures Division. He can be reached at (202) 402-3710 or responding to this email.

Respectfully,

*Jerry Tucker,
Director, Financial Policy and Procedures Division
Office of the Chief Financial Officer*



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

Ms. Wendy M. Payne, CPA, CGFM
Executive Director
Federal Accounting Standards Advisory Board
441 G Street, NW, Suite 6814
Washington, DC 20548

Re: Department of the Interior's Response to Technical Bulletin 2011-2 Exposure Draft
"Extended Deferral of the Effective Date of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs"

Dear Ms. Payne, *Wendy,*

Thank you for the opportunity to comment on the proposed additional one-year deferral of Technical Bulletin 2006-1, *Recognition and Measurement of Asbestos-Related Cleanup Costs*. The Department of the Interior (Interior) agrees with this proposed deferral for several reasons.

When Technical Bulletin 2006-1 was issued, Interior began working to achieve compliance with the requirement. In examining our portfolio, we found that we have over 160,000 buildings and structures on which we would have to report. Due to the size of our portfolio, we determined that surveying all of our buildings and structures would not be a cost-effective approach and instead decided to use a cost-modeling approach. This cost-modeling is based on historical data from our bureaus around asbestos survey costs incurred at our facilities. Since Interior's portfolio is very diverse, we consider it worthwhile to analyze our data to effectively develop cost factors and report reliable estimates.

We appreciate the Board's willingness to grant the previous two year deferral and for proposing the additional one year deferral. This additional deferral will allow us time to further analyze our data, refine our processes, and make necessary changes to our financial systems to capture the information we need. We also plan to use this additional time to coordinate with other federal agencies through the Chief Financial Officers Council as well as engage in knowledge sharing and leverage best practices around this requirement.

If you have any questions or concerns, please contact Ed King at (202) 208-3425.

Sincerely,

Douglas A. Glenn
Director, Office of Financial Management

National Aeronautics and Space Administration

Headquarters

Washington, DC 20546-0001



July 28, 2011

Reply to Attn of: Office of the Chief Financial Officer

Ms. Wendy M. Payne
Executive Director
Federal Accounting Standards Advisory Board
441 G Street NW, Suite 6814
Washington, DC 20548

Subject: Comments on the Exposure Draft titled "Extended Deferral of the Effective Date of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Clean-up Costs"

Thank you very much for the opportunity to review the proposal and make comments. NASA has no comments at this time.

If you have any questions regarding NASA's response, please contact Kevin Buford, Director for Policy, at (202) 358-0405 or by e-mail at kevin.buford@nasa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry Bowie".

Terry Bowie
Deputy Chief Financial Officer

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.

Alexis M. Stowe

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				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. The proposed additional 1 year deferral of TB 2006-1 is necessary to develop a reliable estimate of asbestos-related cleanup costs.	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

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
					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)

From: Jones, Cynthia - OCFO
Sent: Wednesday, August 03, 2011 1:07 PM
To: Payne, Wendolyn M
Cc: Albayrak, Yoko - OCFO; Gabel, David - OCFO; Sacchetti, Dylan M - OCFO; Polen, Chris P - OCFO
Subject: FW: FASAB Staff Seeks Input on Deferral of Technical Bulletin 2006-1

Hello Wendy:

Many thanks for the opportunity to comment on the subject Exposure Draft (ED). Please find below comments on the ED from the Department of Labor, Office of the Chief Financial Officer. Please let me know if you have any questions or require additional information.

Regards,
Cynthia Jones
Director, Financial Policy Division
Office of the Chief Financial Officer
Office of Fiscal Integrity

Comments: Exposure Draft (ED) of Technical Bulletin 2011-2, Extended Deferral of the Effective Date of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs.

The Office of the Chief Financial Officer, U.S. Department of Labor, agrees with the proposed additional one-year deferral of Technical Bulletin 2006-1. We agree that the deferral will enable Agencies to finalize their methodologies and develop estimates as described in paragraph A9. We also agree that the deferral will enable coordination through a planned joint effort (e.g., CFO Council), leading to more cost effective implementation and more comparable results as described in paragraph A.8.

From: Shea, James (Jerry)
Sent: Wednesday, August 03, 2011 9:16 AM
To: Ranagan, Julia E
Subject: FW: Agency Poll: Implementation of Technical Bulletin 2006-1

Julia,

VA is already in compliance per our email below and our response to the Asbestos Status Poll. Any potential delay in implementation of TB 2006-1 will not affect our agency practice.

Jerry

James. J (Jerry) Shea
Staff Accountant
Accounting Policy Service
Office of Financial Policy
Department of Veterans Affairs

From: MacQueen, Steve
Sent: Thursday, May 19, 2011 2:28 PM
To: 'ranaganj@fasab.gov'
Cc: Shea, James (Jerry); Jones, Wesley E. (VACO); Omotosho, Rotimi; Poole, John Christian; Wagner, Sharon J.; Chon, Jennie; Staudt, John G (Jack); Palmer, Katherine (SES); Hallameyer, Ronald; Schwendiman, Sue (OIG)
Subject: Agency Poll: Implementation of Technical Bulletin 2006-1

Julia,

The Department of Veterans Affairs is pleased to submit a response to the FASAB Poll regarding implementation of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs. As was instructed, the contact information is included in the Poll response.

Please see attached. Thanks.

Steve

Stephen T. MacQueen
Director
Management and Financial Reports Service
Office of Financial Policy
Department of Veterans Affairs

From: Rammon, Joyce

Sent: Wednesday, August 03, 2011 4:14 PM

To: FASAB

Cc: Boyd, Thomas ; Flores, Carla; Bedker, Larry

Subject: FASAB ED Extended Deferral of the Effective Date of Technical Bulletin 2006-1

Ms Wendy Payne,

The Department of Homeland Security appreciates the opportunity to provide comments to the Federal Accounting Standards Advisory Board's Exposure Draft of Technical Bulletin 2011-2, Extended Deferral of the Effective Date of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs.

The Consolidated DHS response to the Question for Respondents is as follows:

Q1. 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.

The Department of Homeland Security agrees with the proposed additional one-year deferral of Technical Bulletin 2006-1 in order to allow the Components to finalize their methodology in the development of sustainable and effective models to accurately report the liabilities and related expense arising from Asbestos-Related Cleanup Costs.

Joyce Rammon

Office of the Chief Financial Officer - OFM

Department of Homeland Security

-----Original Message-----

From: Wall, John F

Sent: Wednesday, August 03, 2011 3:56 PM

To: FASAB

Subject: Exposure Draft

John Wall

Office of Financial Policy

Office of the Chief Financial Officer

Department of Energy's Response to FASAB Exposure Draft: *Extended Deferral of the Effective Date of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs*

All responses are requested by August 3, 2011

Q1. 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).

The Department of Energy (Department) appreciates the opportunity to comment on *Extended Deferral of the Effective Date of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs*. The Department does not object to the proposed one-year deferral of implementation of the bulletin with early implementation encouraged. The Department has already taken the necessary steps to implement the Technical Bulletin including:

- accumulating preliminary asbestos data such as determining the number of buildings containing asbestos and
- undertaking actions to modify our cost estimating tool used for environmental liabilities for active facilities and structures, deferring the implementation of Technical Bulletin 2006-1 would benefit both the Department and the Federal government as a whole; and
- Actually recording a third quarter liability.

-----Original Message-----

From: Engelking, Maryla Ms OSD-COMPT [\[mailto:Maryla.Engelking@osd.mil\]](mailto:Maryla.Engelking@osd.mil)
Sent: Wednesday, August 10, 2011 05:00 PM Eastern Standard Time
To: Ranagan, Julia E
Subject: DoD Concurrence with TB 2011-2

<<...>>

Julia-

Thank you for giving us an extension for providing comment. After internal discussions, it was determined that DoD concurs with the extension one-year deferral for Technical Bulletin TB 2011-1.

Let me know if there is anything else I can provide to you.

Maryla Engelking, CPA, MBA

Senior Staff Accountant

Accounting and Finance Policy

Deputy Chief Financial Office

Office of the Under Secretary of Defense (Comptroller)

703-602-0155

maryla.engelking@osd.mil

**United States Department of State***Deputy Chief Financial Officer**Washington, D.C. 20520*

August 5, 2011

Dear Ms. Payne:

The Department of State (Department) appreciates this opportunity to review and comment on the Federal Accounting Standards Advisory Board's (FASAB) Technical Bulletin 2011-2 Exposure Draft entitled "Extended Deferral of the Effective Date of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs." Overall, we agree with the proposed one-year deferral. Also, for reasons detailed below, we believe the FASAB should adopt the Department of the Interior's (Interior) request to report asbestos-related cleanup costs in the near term in Required Supplementary Information (RSI) in addition to the one-year deferral.

The Department's real property assets primarily consist of facilities used for U.S. diplomatic missions abroad (in almost every country of the world) and capital improvements to these facilities, including unimproved land; residential and functional-use buildings such as embassy/consulate office buildings; office annexes and support facilities; and construction-in-progress. Title to these properties is held under various conditions including fee simple, restricted use, crown lease, and deed of use agreement. Some of these properties are considered historical treasures to both the host government and the United States and are considered multi-use heritage assets. In short, the Department has a unique asbestos-related reporting and clean-up responsibility in light of the challenging nature of conducting business in our global, foreign affairs environment.

To date, the Department has addressed known situations that pose immediate health threats. Consequently, the existing challenge is to assess, estimate and report, for our large volume of diverse overseas facilities, the future removal of asbestos that does not pose an immediate health threat. To implement the required reporting, the Department must survey individual properties as well as contend with host country laws and practices. To do so, the Department must review and codify host country clean-up requirements and determine whether a host country has applicable construction and cleanup cost indexes for asbestos. This is an added facet for us to manage on top of a sizeable requirement that places a profound compliance burden on available Department resources and subsequent audit processes. Also, in many developing countries the requirements will change over time and as a result, will require subsequent surveys to keep the data relevant on projects that would not be funded for several more years. Given budget constraints, and to avoid unnecessary costs, we normally do not perform further surveys until the project approaches the year of execution to ensure a more accurate projection of requirements and costs.

The Department is working towards developing an estimate, and has already expended \$12.1 million to assess 8,348 real properties in 187 countries covering US Government-owned, long-term leased and approximately 10% of short-term leased properties. This is approximately 46% of the requirement of approximately 18,000 total occupied Department-controlled facilities and does not cover the additional requirement to fully assess host country laws and any available disposal indexes. To date, what we have found is that our unique operating environment requires primarily property-specific assessment surveys that are expensive and time-consuming whether done in house or via a contracting arrangement. While other estimation options are allowed (e.g., extrapolation for cleanup of similar properties or cost models and information from industry specific cost-estimation publications), these less-expensive estimation methodologies are not practical to apply across multiple countries or regions without producing skewed results as a result of varied building standards and materials, differences in host country conditions, and varying inflation and foreign currency exchange indexes. Consequently, the Department estimates that it will need to expend \$6 million over the next 5 years for the remaining balance of surveys and therefore may not achieve an audit compliant estimate until the fiscal year beginning after September 30, 2017. In addition, this would not include the added requirement to fully assess host country laws and any available disposal indexes.

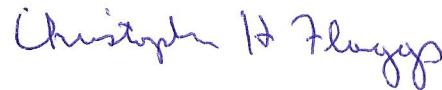
More importantly, the Department has an aggressive and essential construction program necessary to provide and maintain secure facilities at overseas posts that place USG personnel out of harm's way. This will continue to be a Department priority, and as such a priority for our overseas building operations program and staff. While we understand and support the importance of this reporting requirement under Technical Bulletin (TB) 2006-1, in light of current and anticipated resource constraints, it will clearly be a lower priority. Consequently, similar to Interior, the Department may experience financial statement audit difficulties once TB 2006-1 and associated guidance, as written, becomes effective.

As noted above, a one-year deferral in the current fiscal environment is not sufficient for the Department to fully comply with the requirement, and the Department will most likely sustain a detrimental financial statement audit effect. However, we understand the importance of making progress on reporting this information instead of continually "kicking the can down the road." We do not believe that there is any disagreement that the reporting of this information needs improvement or that it is required information. It is the current quality of this information that is at issue. Specifically, the Department concurs with Interior's request in its April 15, 2011 letter that FASAB allow agencies to present the asbestos related clean-up costs in the Required Supplementary Information instead of the Basic Information of the Agency Financial Report until more data and resources become available for reliable asbestos-related cleanup cost estimates. We believe, in addition to the cost/benefit consideration cited by Interior, that if this information is not subject to a reliable estimation by a number of agencies (including those that

comprise a majority portion of those holding real property assets and, therefore, by extension in the Financial Report of the United States Government), then it is more appropriately presented as RSI. As issues are resolved, the information should then be deemed basic at some point in the future. Alternatively, FASAB could establish a future date in TB 2011-2 that would move this information from RSI to basic.

Again, we sincerely appreciate the opportunity to comment and the collaborative manner in which FASAB and FASAB staff have worked to implement this complex subject. Should you have any questions, please contact me on (202) 261-8620.

Sincerely,



Christopher H. Flaggs

Ms. Wendy M. Payne
Executive Director
Federal Accounting Standard Advisory Board,
441 G Street, N.W., Suite 6814
Washington, D.C. 20548