

>>> "Coffman, Robert A Mr OSD ATL" <Robert.Coffman@osd.mil> 6/4/2009
4:33 PM >>>

After review of this Bulletin, it was refreshing to see an extension has
been propose to enable agencies to develop a more practical and executable
process. This should allow us to find the optimization of our resources in
performing asset sustainment, modernization and demolition.
I fully support this technical bulletin.

Bob Coffman
Program Manager, Real Property Inventory Requirements
Department of Defense

On behalf of Jim Lingeback, Director of the Office of Accounting and Internal Control, and Charles Ingram, Director of the Office of Asset Management, I am providing the Department of the Treasury's response to the FASAB Exposure Draft *Deferral of the Effective Date of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs*, dated June 4, 2009.

Q1. Do you agree or disagree with the proposed two-year deferral of Technical Bulletin 2006-1? Please explain the reasons for your position in as much detail as possible (see discussion in pars. A1 through A10).

The Department of the Treasury concurs with the proposed two-year deferral of the Technical Bulletin 2006-1, consistent with the aforementioned discussion, and with the need to ensure consistent and efficient implementation of the ultimately adopted guidance.

Joe McAndrew
Department of the Treasury
Office of Accounting and Internal Control

EPA has reviewed the Exposure Draft and concurs with the proposal based on issues raised in A1 through A10.

EPA received over \$7 billion from the ARRA for infrastructure and other programs - essentially doubled our budget. The deferred date enables the Agency to focus efforts/resources on the increased workload related to ARRA.

Susan Dax, Deputy Director
Office of Financial Management
Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington DC 20460



JUL - 1 2009

Wendy M. Comes
Executive Director
Federal Accounting Standards Advisory Board
441 G Street, NW, Suite 6814 (Mailstop 6k17V)
Washington, DC 20548

Dear Ms. Comes:

On behalf of the U.S. Department of Labor, Office of the Inspector General, I am responding to the following question concerning the exposure draft titled "Deferral of the Effective Date of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs":

Q1. Do you agree or disagree with the proposed two-year deferral of Technical Bulletin 2006-1?

We agree with the proposed two year deferral of the Technical Bulletin 2006-1. The Department of Labor accounts for a small percentage of the overall government property inventory, and has not experienced difficulties with accounting for asbestos cleanup costs. Nonetheless, we believe the deferral is needed to ensure consistent and efficient implementation of the guidance.

Thank you for the opportunity to provide input on this issue. If you have any questions or need additional information, please contact Joseph L. Donovan, Jr., Audit Director, Financial Statement Audits, at 202-693-5248.

Sincerely,

A handwritten signature in dark ink, reading "Elliot P. Lewis", is positioned above the typed name.

Elliot P. Lewis
Assistant Inspector General for Audit

July 17, 2009

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

(703) 684-6931
(703) 548-9367 (fax)

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 June 4, 2009 exposure draft deferring the effective date of Technical Bulletin 2006-1, *Recognition and Measurement of Asbestos-Related Cleanup Costs*. The FMSB, comprising 23 members with accounting and auditing backgrounds in federal, state and local government, academia and public accounting, 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.

It is our understanding that only a few agencies, including the U.S. Air Force and NASA have not tackled the property recordation issue. Within two years, it is likely that they too will have resolved the issue. We think that this deferral will give sufficient time for all agencies to complete preparations. We also ask 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.

We appreciate the opportunity to comment on this document and would be pleased to discuss this letter with you at your convenience. No member objected to its issuance. If you have questions concerning the letter, please contact Anna D. Gowans Miller, CPA, AGA's director of research and staff liaison for the FMSB, at amiller@agacgfm.org or 703.684.6931 ext. 313.

Sincerely,



Robert L. Childree, Chair,
AGA Financial Management Standards Board

cc: William A. Morehead, Ph.D., CPA, CGFM
AGA National President

**Association of Government Accountants
Financial Management Standards Board**

July 2009 – June 2010

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Relmond P. Van Daniker, Executive Director, AGA (Ex-Officio Member)
Anna D. Gowans Miller, Technical Manager, AGA, Staff Liaison

The following memorandum is sent on behalf of Gordon T. Alston, Deputy Director for Financial Management:

MEMORANDUM FOR: Wendy M. Payne, Executive Director
Federal Accounting Standards Advisory Board

FROM: Gordon T. Alston
Deputy Director for Financial Management
Department of Commerce

DATE: July 14, 2009

SUBJECT: Department of Commerce Response to Exposure Draft of
Technical Bulletin 2009-1; Deferral of the Effective Date
of Technical Bulletin 2009-1, *Recognition and
Measurement of Asbestos-Related Cleanup Costs*

The Department of Commerce has reviewed the Exposure Draft for Technical Bulletin 2009-1. In response to the question for respondents, we fully agree with the proposed two-year deferral of Technical Bulletin 2006-1, primarily because of a) the high degree of complexity of the technical requirements to implement the Technical Bulletin; and b) the potential widespread applicability of Technical Bulletin 2006-1 to the Department. We believe that these two significant issues to the Department of Commerce are also applicable to several other federal agencies, and justify a two-year deferral of the effective date of implementation of Technical Bulletin 2006-1.

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.

Thank you.

cc: Diane Marston
Tony Akande
Bruce Henshel

La Toya Wilhite

Office of Financial Management

U.S. Department of Commerce

The U.S. Department of Education has no comments on the FASAB Exposure Draft – Deferral of the Effective Date of Technical Bulletin 2006-1, recognition and Measurement of Asbestos-Related Cleanup Costs.

Thank you.

Danny A. Harris
Acting Deputy Chief Financial Officer
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Thank you for the opportunity to provide comments on the above exposure draft.

The Department of Housing and Urban Development agrees with the deferral of the implementation of Technical Bulletin 2006-1 with no comment.

Please direct any questions concerning our response to me at the number listed below.

Jerry Tucker

Director

Financial Policies and Procedures Division

Office of the Chief Financial Officer for Financial Management

Subject: Comments on Technical Bulletin 2009-1, Exposure Draft, Deferral of the Effective Date of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs, June 4, 2009.

The Office of Environmental Management, CG-47, US Coast Guard Headquarters concurs with the proposed 2-year deferral in order to implement an effective estimating and reporting program for asbestos cleanup costs.

Ed Wandelt

US Coast Guard HQ

Chief, Office of Environmental Management CG-47 (old CG-443)

"Providing timely, accurate, and comprehensive environmental expertise, services, and support. Our mission is to enable your mission"

US Department of Homeland Security

National Aeronautics and Space Administration**Headquarters****Washington, DC 20546-0001**

July 10, 2009

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

Dear Ms. Payne:

The National Aeronautics and Space Administration (NASA) appreciate the opportunity to provide comments to the exposure draft "Deferral of the Effective Date of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs." Enclosed you will find NASA's response to the questions for the respondents.

If you have any questions regarding NASA's comments, please contact Kevin Buford, Director of Strategic Integration and Policy Division, at (202) 358-0405 or by e-mail at kevin.buford-1@nasa.gov.

Sincerely,

A handwritten signature in black ink that reads "Terry Bowie". The signature is stylized with a large, looping "T" and a cursive "Bowie".

Terry Bowie

Enclosure

COMMENTS TO EXPOSURE DRAFT OF TECHNICAL BULLETIN (TB)
2009-1, DEFERRAL OF THE EFFECTIVE DATE OF TB 2006-1,
RECOGNITION AND MEASUREMENT OF ASBESTOS-RELATED
CLEANUP COSTS

Q1. Do you agree or disagree with the proposed two-year deferral of Technical Bulletin 2006-1? Please explain the reasons for your position in as much detail as possible (see discussion in pars. A1 through A10).

Response. National Aeronautics and Space Administration (NASA) concurs with the proposed two-year deferral of Technical Bulletin 2006-1, consistent with the implementation issues identified and discussed in “Appendix A: Basis of Conclusions” of this Exposure Draft.

On behalf of Carolyn Davis, Assistant Inspector General for Audit Policy and Oversight, attached are the DoD Office of Inspector General comments on the FASAB Technical Bulletin 2009-1, Exposure Draft, "Deferral of the Effective Date of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs". Thank you for the opportunity to comment on the Exposure Draft. Any questions please contact Carolyn Davis at (703) 604-8877.

Wanda D. Scotland
Office of the Inspector General
Department of Defense
Audit Policy and Oversight

DoD Office of Inspector General Comments on FASAB Technical Bulletin 2009-1, Exposure Draft entitled “Deferral of the Effective Date of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs”

Answers to Request for Comments on Specific Topics

Q1. This Exposure Draft proposes a two year deferral of the effective date of Technical Bulletin 2006-1, “Recognition and Measurement of Asbestos-Related Cleanup Costs.” The deferral would provide federal agencies additional time to resolve implementation issues that have been identified since the Technical bulletin 2006-1 was issued. Do you agree or disagree with the proposed two-year deferral of Technical Bulletin 2006-1? Please explain the reasons for your position in as much detail as possible (see discussion in pars. A1 through A10).

We agree with the proposed two year deferral of Technical Bulletin 2006-1, “Recognition and Measurement of Asbestos-Related Cleanup Costs” which would make the guidance effective for reporting periods beginning after September 30, 2011.

- The two year deferral period will provide agencies additional time to identify the affected assets, collect data, develop cost methodologies, and develop agency specific implementation guidance.
- The deferral period may also provide agencies with additional time to consider the implementation guidance on asbestos that the Accounting and Auditing Policy Committee plans to release in the future.
- Additionally, the two year deferral period will provide agencies with the opportunity to implement the processes and internal control structure that will allow agencies to more effectively implement and comply with the requirements of Technical Bulletin 2006-1.



Greater Washington Society of CPAs and GWSCPA Educational Foundation

1111 19th Street, NW, Suite 1200, Washington, DC 20036
202-464-6001 (v) 202-238-9604 (f) www.gwscpa.org info@gwscpa.org

July 17, 2009

Wendy Payne, Executive Director
Federal Accounting Standards Advisory Board
Mail Stop 6K17V
441 G Street, NW – Suite 6814
Washington, DC 20548

Dear Ms. Payne:

The Greater Washington Society of Certified Public Accountants (GWSCPA) Federal Issues and Standards Committee (FISC) appreciates the opportunity to provide comments on the Federal Accounting Standards Advisory Board's (FASAB) Exposure Draft (ED) of Technical Bulletin 2009-1, *Deferral of the Effective Date of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs*.

FISC consists of 19 GWSCPA members who are active in accounting and auditing in the Federal sector. This comment letter represents the consensus comments of our members. Our responses to the ED question follows.

Deferral of the Effective Date of Technical Bulletin 2006-1

- Q1. Do you agree or disagree with the proposed two-year deferral of Technical Bulletin 2006-1? Please explain the reasons for your position in as much detail as possible (see discussion in pars. A1 through A10).
- A1. FISC agrees with the two-year deferral considering the implementation and interpretation issues cited in paragraphs A7 to A9. However, we do not believe that the reasons cited in paragraph II of the Executive Summary and paragraph A1 are appropriate reasons for extension. We do not believe that a basis to extend implementation dates for "reporting complexity, limited resources, and shifting priorities within the federal government due to the American Recovery and Reinvestment Act." We do, however, agree that the forthcoming implementation guidance being developed by the Accounting and Auditing Policy Committee (AAPC) is a compelling reason for deferral of the effective date of Technical Bulletin 2006-1. We encourage FASAB to modify paragraph II of the Executive Summary to describe more compelling reasons for the extension.

Other Comments

In paragraph A4, the exposure draft states that “FASAB staff reviewed prior deferrals the FASAB has made in the past.” However, there was no discussion of the success or failure of prior deferrals. FISC members feel that this information would have been very useful in answering the question posed by the ED, and may provide additional cause for the deferral of the effective date of Technical Bulletin 2006-1.

In paragraph A4, we do not believe that it is appropriate for FASAB to specifically refer to agencies (e.g., the General Services Administration and the Department of Energy) that did not respond to the FASAB staff’s requests to discuss implementation issues. We recommend that FASAB remove the last sentence in this paragraph.

This comment letter was reviewed by the members of FISC, and represents the consensus views of our members.

Very truly yours,

A handwritten signature in black ink, appearing to read "Andrew Lewis", with a stylized flourish at the end.

Andrew C. Lewis
FISC Chair



OFFICE OF THE UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

COMPTROLLER

Ms. Wendy M. Payne
Executive Director
Federal Accounting Standards Advisory Board
441 G Street, NW, Suite 6814
Mail stop 6K17V
Washington, DC 20548

JUL 16 2009

Dear Ms. Payne,

The Department of Defense's (DoD) comments on the Exposure Draft, *Exposure Draft Issued Proposing to Defer the Effective Date of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs* are attached. Overall, we agree with the exposure draft. We believe deferring the effective date of implementation will permit reasonable estimates of asbestos-related cleanup costs, now and in the future, that will improve financial information reported to the public.

My point of contact is Mr. Stewart Petchenick. He can be reached at (703) 602-0369.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Easton", written over a horizontal line.

Mark E. Easton
Deputy Chief Financial Officer

Attachment
As stated



U.S. Department of Defense

Response to Request for Comments

FASAB Exposure Draft: *Exposure Draft Issued Proposing to Defer the Effective Date of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs*

Q1. Do you agree or disagree with the proposed two-year deferral of Technical Bulletin 2006-1? Please explain the reasons for your position in as much detail as possible (see discussion in pars. A1 through A10).

A1. DoD agrees with this proposal. DoD has one general comment. Following "...including conflict of interest concerns and a general lack of knowledge about where to begin." Insert statement, "The primary reason for the difficulties is due to the contingent nature of the cleanup requirement and other unknowns. Federal regulations do not require tracking of nonfriable asbestos and may not require removal even at the time of building renovation or demolition, depending on the material's condition and the disposal method. In addition, the inability to visibly determine the presence of non-friable asbestos or validate its absence is a significant unknown, which some believe can not be adequately supported without testing." Rationale. The inability to visibly determine the presence of non-friable asbestos, and the contingent nature of the regulatory requirements should be stated as the primary reason for a lack of tracking and guidance (Paragraph A2) and "general lack of knowledge about where to begin" (Paragraph A7). Federal regulations do not require tracking of nonfriable asbestos and may not require removal even at the time of building renovation or demolition, depending on the material's condition and the disposal method. TB 2009-1 should acknowledge that federal agencies are encountering difficulties in implementing TB 2006-1 due to these significant unknowns.

Wendy M. Payne, Executive Director
Federal Accounting Standards Advisory Board
Mailstop 6K17V
441 G Street, NW, Suite 6814
Washington, DC 20548

Dear Ms. Payne:

RE: FASAB Exposure Draft, Deferral of the Effective Date of Technical Bulletin 2006-1,
Recognition and Measurement of Asbestos-Related Cleanup Costs, dated June 4, 2009.

The Department of the Interior appreciates the opportunity to comment on the exposure draft shown above.

Attached is the Department of the Interior's consolidated response to the subject Exposure Draft.

If you have any questions or concerns please contact Donald Geiger at 202-208-5542.

Sincerely,

Daniel L. Fletcher
Director
Office of Financial Management

Attachment

Department of the Interior
Office of Financial Management
Response to FASAB Exposure Draft
Deferral of the Effective Date of Technical Bulletin 2006-1, *Recognition and
Measurement of Asbestos-Related Cleanup Costs*

Question #1 – Do you agree or disagree with the proposed two-year deferral of Technical Bulletin 2006-1? Please explain the reasons for your position in as much detail as possible.

Response #1 – The Department of the Interior (Interior) agrees with the proposed two-year deferral. While several compelling arguments were made in the exposure draft, Interior faces challenges to implementation of this standard above and beyond those cited in the exposure draft.

Interior has been working on issues related to implementation of this standard since it was issued. Interior has identified several issues in addition to those discussed in the exposure draft that have hampered our ability to implement the standard on time. The size and complexity of the project have become more evident as work progresses. Interior owns approximately 163,000 buildings of various types, ages and conditions. Only the U.S. Army owns more. Data related to potential asbestos containing materials (ACM) in Interior buildings and facilities is not centrally located nor readily available to share between bureaus and the Department. Much of Interior's data is spread across the length and breadth of the country in regional offices as well as individual sites such as wildlife refuges, land management offices and national parks. The National Park Service (NPS) conducted a study aimed at evaluating the amount of asbestos in a small number of buildings owned by NPS. It was initially hoped that this study might collect asbestos information that could be extrapolated out to similar buildings across the NPS inventory. Analysis of this pilot project is ongoing, but the initial impression is that the buildings in the NPS inventory are so different that utilizing the data obtained as a representative sample may not be appropriate. More analysis is needed to determine whether this is true of the entire Interior inventory or is confined to NPS. In addition to the problems of obtaining a representative sample, much of the information that is available is not in digital form, further hampering Interior's ability to collect and share it effectively. Additionally, while Interior is working toward development of an information system capable of managing such a large amount of data, no such system currently exists. Without the proposed deferral to allow for creation of an information system, Interior will have to utilize spreadsheets, email and traditional mail services to collect and manage the data. This strategy is quite vulnerable to omissions or other errors.

Existing data for determining the cost factor related to cleanup at a given site is extremely complicated. For example, cost data published by R.S. Means is

published by type of ACM and grouped by individual cities within each state. Most of Interior's properties are outside of the cities published in the R.S. Means literature and so developing a cost factor is extremely difficult.

Another obstacle encountered by Interior is that of competing priorities. Interior received \$299,530,872 as part of the American Recovery and Reinvestment Act (ARRA) during FY 2009. Investment of these funds in projects is a time-sensitive and top priority for agencies receiving these funds. Most of the Interior employees involved in projects utilizing ARRA funds are also employees who would be needed to implement TB 2006-1. As such, Interior does not have, at this time, the manpower or the resources to devote to collection and reporting of all of the data required to produce cost figures to be reported under this standard. Additionally, collection, management and reporting this data will require Interior to provide training to the employees involved. While resources have been requested to accomplish this training, they will not be available until after the end of fiscal year 2009.

On behalf of The US Department of Agriculture, Office of the Chief Financial Officer, attached is our response to exposure draft: "Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs."

Melanie R. Cenci
Office of the Chief Financial Officer
US Dept. of Agriculture

On behalf of The US Department of Agriculture, Office of the Chief Financial Officer, attached is our response to exposure draft: "Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs."

Q1. Do you agree or disagree with the proposed two-year deferral of Technical Bulletin 2006-1? Please explain the reasons for your position in as much detail as possible (see discussion in pars. A1 through A10)

The Department of Agriculture (USDA) agrees with the proposed two year deferral of Technical Bulletin 2006-1. USDA manages more than 193 million acres (8.4%) of the United States, containing approximately 57,000 owned buildings and structures. USDA does not identify, manage or track asbestos in USDA-owned buildings or structures. This will provide agencies time to develop estimation methodologies consistent with implementation guidance.

To FASAB,

The Department of Homeland Security, Office of Occupational Safety and Environmental Programs, concurs with the proposed 2-year deferral in order to implement an effective estimating and reporting program for asbestos cleanup costs.

If you have any questions or need additional information, please contact me.

Pete

Pete Wixted

Environmental Program Manager
Department of Homeland Security

The OPM OCFO concurs with the deferral of the effective date. We have no further comments. Regards. – David Cushing

David M. Cushing
Deputy Chief Financial Officer
Office of the Chief Financial Officer
U.S. Office of Personnel Management