

AAPC GPP&E Task Force
Meeting Notes – January 15, 2009
GAO HQ Building- 441 G Street, NW
Staats Conference Room (7C13)
1:00 – 3:00 p.m.

Administrative Matters

- Future meetings – dates and locations

Monica Valentine, FASAB/AAPC rep., noted that the next meeting date of the task force would be 2/3/09. Members were also given the 2009 meeting dates and conference room location.

Task Force Chair Updates

- Donjette Gilmore

Ms. Gilmore thanked the group for their participation in the task force's work. Ms. Gilmore noted her continued involvement in the four subgroups. Ms. Gilmore also gave a brief update to the task force on a recent meeting that the Acquisition subgroup had with the US Coast Guard regarding the USGS's methodologies currently being used to estimate some of their legacy GPP&E. She noted that the meeting went very well and that the information provided by USCG was very helpful to the work of the subgroup. Ms. Gilmore also wanted to express special thanks to all those at USCG who participated for their cooperation and willingness to assist the subgroup.

Ms. Gilmore reminded the members that she is always available to assist with making contact with federal representatives that could provide assistance to the task force as well any other needs related to the work of the task force. Ms. Gilmore also reminded the members to focus on the ultimate goal of the task force and that is to produce implementation guidance related to G-PP&E.

- Dan Fletcher

Mr. Fletcher was not available for the meeting.

FASAB/AAPC Updates

- Monica Valentine

Ms. Valentine reminded the task force of the FASAB exposure draft, *Estimating the Historical Cost of G-PP&E* that was issued on November 14. She also informed the members that the ED was available on the FASAB website and encouraged all members to review it and provide comments to the Board by January 30, 2009.

Ms. Valentine also alerted the task force of another FASAB project related to SFFAS 6. The project is focused on the evaluation of two SFFAS 6 topics – G-PP&E and cleanup costs. The Board would like to re-look at these two areas to evaluate whether the related standards need to be expanded, amended, or if they are adequate as is. Ms. Valentine stressed the importance of the task force in assisting the FASAB with this project.

Ms. Valentine noted that the next AAPC meeting was scheduled for 1/28 and that the Committee was very anxious to review the work of the task force. She mentioned that the plan was to provide both Disposal subgroup issue papers to the Committee for its first review.

Subgroup Updates

- Acquisition: Alice Carey, subgroup co-chair gave a brief update of the work of the Acquisition subgroup. Ms. Carey mentioned that two additional auditors had been added to the subgroup roster. Ms. Carey noted that the draft capitalization threshold issue paper was on the agenda for the next subgroup meeting. She also informed the group that the subgroup was also going to begin work on the capital lease topic. Ms. George noted that the subgroup was finalizing its historical cost implementation paper with some additional examples on estimating GPP&E from federal entities that have had success with their estimating techniques. These examples would be considered best practice examples that other agencies could benefit from. The agencies that the subgroup is working with for the additional

examples are USCG, FAA and USACE. The next scheduled meeting of the subgroup is 1/21.

- Use: Tom Lyden gave a brief update of the work of the Use subgroup in the absence of Fred Carr and Kyle Fugate, subgroup co-chairs. He noted that the group was finalizing its issue papers on construction-in-progress and contractor-financing payments and the discussion on deployed assets will be initiated at the next subgroup meeting. There was a question on whether useful lives would be addressed by the Use subgroup. Mr. Lyden noted that he would discuss addressing useful life with the subgroup chairs. The next scheduled meeting of the subgroup is 1/22.

- Records Retention: John Lynskey, subgroup chair gave an update on the work of the Records Retention subgroup. Mr. Lynskey noted that the subgroup last met on 1/9. He noted that the subgroup is moving from the research phase to the report writing phase. Mr. Lynskey added that the next meeting of the subgroup will be January 29, 2009 and that the subgroup will be meeting twice a month over the next three months to expedite its work.

- Disposal: Ms. Alaleh Amiri, subgroup co-chair, gave an update on the work of the Disposal subgroup. Ms. Amiri noted that once the subgroup's two current issue papers [environmental liabilities -- recognition of cleanup cost (asbestos) and environmental liabilities -- equipment disposal clean up costs] were completed the subgroup would be addressing its third topic on "triggering events".

Ms. Amiri noted that comments were received on both issue papers prior to the meeting. She noted that based on the comments received on the Asbestos paper there were four issues that needed the attention of the task force:

- Should the issue paper address asbestos removal during renovations and repairs because of the language in TR2 (footnote 15) vs. language in TB 2006-1.
- When a facility demolition is being evaluated for asbestos, should a specific cut-off year be included in the issue paper.

- Should the relationship between environmental cleanup and deferred maintenance be addressed in issue paper.
- Should the key assumptions be more specific.

The question was asked if agencies such as GSA, EPA, and Energy participated in the subgroup. Ms Amiri noted that GSA, EPA, and NASA had provided input into the issue paper as it was being drafted but did not provide any specific comments on the latest version. There was also a discussion about whether the issue paper should address both friable and non-friable asbestos. There was also a question about acceptable methodologies for estimating the environmental liabilities. Representatives from both Interior and GSA noted that they would be providing additional comments on the asbestos paper sometime within the next week.

The comments on the equipment disposal issue paper were primarily based on clearly making the distinction between when SFFAS 6 vs. SFFAS 5 applies. Another comment was the need to clarify how the routine removal of hazardous waste (i.e., vehicle oil) should be accounted for at the time of decommissioning or disposal. There was also some discussion about the use of certain technical terminology in the paper and the applicability of the standards and guidance as it relates to radioactive waste.

Ms. Valentine asked for a final cut-off of Thursday 1/22 for all comments on the two Disposal issue papers. Ms. Amiri noted that based on the discussions at today's meeting, these issues would be taken back to the subgroup for resolution.

The next steps for the issue papers would be for the papers are forwarded to the AAPC for review. The next issue for the subgroup will be on triggering events for disposal. The next scheduled meeting of the subgroup is 1/27.

Review List of G-PP&E Issues – Update

No specific update was given on the latest list of G-PP&E issues.

Review Timeline – Key Dates

No specific update was given on the project timelines.