

# Federal Accounting Standards Advisory Board

FOR MORE INFORMATION:

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## NEWS RELEASE

### **FASAB STAFF EXPOSES DRAFT TECHNICAL BULLETIN 2006-1, *Recognition and Measurement of Asbestos-Related Cleanup Costs***

The Executive Director of the Federal Accounting Standards Advisory Board (FASAB), Wendy Comes, announced today that the FASAB staff has released an exposure draft of Technical Bulletin 2006-1, *Recognition and Measurement of Asbestos-Related Cleanup Costs*.

This proposed technical bulletin is intended to clarify the required reporting of liabilities and related expenses arising from friable and nonfriable asbestos-related cleanup costs. If adopted, the effect of this technical bulletin would be to clarify that:

- a. Federal entities should (1) estimate both friable and nonfriable asbestos-related cleanup costs and (2) recognize a liability and related expense for those costs that are both probable and reasonably estimable, consistent with the current guidance in Statement of Federal Financial Accounting Standards (SFFAS) 5, *Accounting for Liabilities of the Federal Government*; SFFAS 6, *Accounting for Property, Plant, and Equipment*, Chapter 4: Cleanup Costs; and Technical Release 2, *Determining Probable and Reasonably Estimable for Environmental Liabilities in the Federal Government*.
- b. Federal entities should disclose information related to friable and nonfriable asbestos-related cleanup costs that are probable but not reasonably estimable in a note to the financial statements, consistent with SFFAS 5 and SFFAS 6.

The exposure draft requests comments by June 30, 2006. If adopted, the proposed technical bulletin would be effective for periods beginning after September 30, 2008. Copies of the exposure draft are available at the FASAB website at <http://www.fasab.gov/exposure.htm>.

## **ABOUT FASAB**

The mission of the FASAB is to promulgate federal accounting standards after considering the financial and budgetary information needs of citizens, congressional oversight groups, executive agencies, and the needs of other users of federal financial information.

Accounting and financial reporting standards are essential for public accountability and for an efficient and effective functioning of our democratic system of government. Thus, federal accounting standards and financial reporting play a major role in fulfilling the government's duty to be publicly accountable and can be used to assess (1) the government's accountability and its efficiency and effectiveness, and (2) the economic, political, and social consequences of the allocation and various uses of federal resources.

For more information on FASAB, please visit our website: [www.fasab.gov](http://www.fasab.gov).