

CAS Board – 61st Meeting

September 17, 2010

Chairman Daniel Gordon, the Administrator of the Office of Federal Procurement Policy (OFPP), convened the 61st meeting of the Cost Accounting Standards (CAS) Board (CASB) on September 17, 2010 at 9:00 A.M. ET. The meeting was held in the Eisenhower Executive Office Building in Washington, DC. Board Members April Stephenson, Kathleen Turco, Bruce Timman and Richard Wall were in attendance. Also attending the meeting were Raymond Wong, CASB Director; Eric Shipley, CAS Board Staff; and Mindy Connolly, OFPP Staff.

Agenda Items:

This September 17th meeting is the last scheduled CASB meeting for Ms. Stephenson prior to the expiration of her term as the DOD representative to the CASB. Mr. Gordon thanked Ms. Stephenson for her service to the CASB. Mr. Gordon expressed the appreciation of the CASB for her insights and many contributions to the CASB during her term of service.

CAS Pension Harmonization

Mr. Shipley briefed the CASB on the results of the Working Group's analysis of the impact of the three threshold criteria for the special harmonization provisions (initially introduced in the NPRM), whether utilized singularly, or in different combinations. Pertinent public comments were incorporated into the CASB discussions of the various threshold criteria options, as applicable. After much discussion, the CASB gave the Working Group instructions on developing the final rule. The CASB also discussed how to handle the procedural aspects of certain issues in the final rule.

For the November 10, 2010 meeting, the CASB directed the Working Group to proceed with the next steps in the rulemaking process, i.e., prepare a Federal Register Notice with draft responses addressing the public comments, and modify the regulatory text, as appropriate, for a final rule.

CAS Applicability Threshold

Mr. Wong briefed the CASB on the draft interim rule for the CAS applicability threshold. The CAS applicability threshold is defined statutorily as the Truth in Negotiations Act (TINA) threshold. The TINA threshold is an acquisition-related dollar threshold which is required to be adjusted periodically for inflation. On August 30, 2010, the FAR Council published a final rule (75 FR 53129) which adjusted for inflation the acquisition-related dollar thresholds, including the FAR TINA threshold, revising it to \$700,000 from \$650,000, effective as of October 1, 2010.

After some discussion, the CASB requested the statutory language of the relevant statutes. The Staff will provide the CASB with the text of the relevant statutes, and the CASB will consider its options accordingly.

CAS (b)(14) Overseas exemption

The CAS (b)(14) overseas exemption was not on the agenda. However, Mr. Wong briefed the CASB on the status of the pending rulemaking which is in OMB clearance. The CASB requested to see the latest version of the draft Federal Register Notice for the proposed rule. The latest draft of the FRN reflects the cumulative edits and comments from the OMB clearance process on the version previously approved by the CASB.

Adjournment

The CASB Chair, Mr. Gordon, adjourned the meeting at 11:35 P.M.

Minutes submitted by Raymond J. M. Wong, September 21, 2010.