

**CAS Board – 67<sup>th</sup> Meeting**  
June 13, 2011

Chairman Daniel Gordon, the Administrator of the Office of Federal Procurement Policy (OFPP), convened the 67<sup>th</sup> meeting of the Cost Accounting Standards (CAS) Board (CASB) on June 13, 2011 at 10:15 am EST. The meeting was held in the Eisenhower Executive Office Building in Washington, DC. Board Members Patrick Fitzgerald, Kathleen Turco, Bruce Timman and Richard Wall were in attendance. Also attending the meeting were Raymond Wong, CASB Director; Eric Shipley, CASB Staff; and Mathew Blum, Associate Administrator OFPP.

**Agenda Items:**

**CAS Pension Harmonization Rule**

Mr. Shipley briefed the CASB on the status of the internal OMB review of the draft *Federal Register* Notice, and the routine administrative clearance process for the rule prior to publication. The CASB discussed concerns raised by the internal OMB review, and the proposed edits to the FR Notice to address those concerns. The Staff was tasked with reconciling the concerns raised by the internal OMB review to the FR Notice to the extent practicable. The CASB will consider the revised FR Notice at the next CASB meeting. The CASB also discussed briefly potential implementation issues arising after the effective date of this CAS Pension Harmonization Rule, and how to best address them.

**CAS (b)(14) Overseas Exemption**

Mr. Wong briefed the CASB on the status of draft *Federal Register* Notice of final rule on the CAS (b)(14) overseas exemption. The CASB discussed some of the proposed responses to the public comments, made some minor edits, and approved the FR Notice, subject to the edits. The CASB directed the Staff to prepare the FR Notice in accordance with its direction for the routine administrative clearance process prior to publication.

**CAS 403, Allocation Thresholds for Home Office Expenses**

Mr. Wong briefed the CASB on the draft *Federal Register* Notice of Discontinuation. After some discussion, the CASB approved the draft FR Notice to discontinue its review of the allocation thresholds for home office expenses, and directed the Staff to prepare the FR Notice for the routine administrative clearance process prior to publication.

**CAS 416, Catastrophic Insurance**

Mr. Wong briefed the CASB on the status of draft *Federal Register* Notice of Discontinuation. The CASB approved the draft FR Notice to discontinue its review of

catastrophic losses, and directed the Staff to prepare the FR Notice for the routine administrative clearance process prior to publication.

### **CAS (b)(6) Commercial Item Exemption**

Mr. Wong briefed the CASB on the draft *Federal Register* Notice of proposed rule on whether to amend the CAS (b)(6) commercial item exemption to clarify the exact coverage of the exemption. After some discussion of the legislative and regulatory history pertinent to acquisition of commercial items and how their relationship to the CAS (b)(6) commercial item exemption, the CASB agreed on the underlying premise for the exemption. Additional language to capture this concept will be drafted for the CASB's consideration. Pending approval by the CASB of the additional text, the CASB directed the Staff to prepare the FR Notice for the routine administrative clearance process prior to publication

### **CAS (b)(15) Firm-Fixed-Price Contract Exemption (Cost or Pricing Data)**

Mr. Wong briefed the CASB on the draft *Federal Register* Notice of proposed rule on whether to amend the CAS (b)(15) firm-fixed-price (FFP) contract exemption to clarify the usage of the phrase "cost or pricing data". Previously, the phrase was understood by the acquisition community to mean cost or pricing data that has been certified already. The phrase in the proposed rule has been changed to explicitly state "certified cost or pricing data". After some discussion, the CASB made some minor edits and approved the FR Notice. The CASB directed the Staff to prepare the FR Notice for the routine administrative clearance process prior to publication.

### **Pension Segment Closing**

The CASB discussed the staffing needs for this potential new Working Group. Mr. Wong informed the CASB that commitments on staffing to support the WG have been received from some of the agencies. The CASB directed the staff to prepare a project plan for the WG to define the scope of the effort and the expected outcomes. The CASB will use the WG project plan for its planning purposes and in any decision to proceed with the project.

### **Computing a Cost Impact**

The CASB discussed the staffing needs for this potential new Working Group. Mr. Wong informed the CASB that commitments on staffing to support the WG have been received from some of the agencies. The CASB requested that the initial draft of the project plan for the WG include within its scope the definition of "in the aggregate" (i.e., offsets or netting), multiple accounting changes implemented on the same day, and the recommendations of any issues for FAR regulatory consideration.

### **Other Administrative Matters**

## **FOIA Request**

Mr. Wong informed the CASB that a Freedom of Information Act (FOIA) request has been received. The FOIA request sought the Staff Discussion Paper on the Cost Impact of a Change in Cost Accounting Practices briefed at the 54<sup>th</sup> meeting of the CASB on September 30, 2008, and associated documents. After discussing the applicable FOIA requirements and their applicability to the requested documents, the CASB directed the Staff to handle and process the FOIA request in accordance with OMB procedures, and to coordinate with the OMB FOIA Officer and OMB General Counsel.

## **Adjournment**

The CASB Chair, Mr. Gordon, adjourned the meeting at 1:00 pm.

Minutes submitted by Raymond J. M. Wong, June 29, 2011.