

CAS Board – 69th Meeting
August 30, 2011

Chairman Daniel Gordon, the Administrator of the Office of Federal Procurement Policy (OFPP), convened the 69th meeting of the Cost Accounting Standards (CAS) Board (CASB) on August 30, 2011 at 09:00 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; and Eric Shipley, CASB Staff.

Agenda Items:

CAS Pension Harmonization Rule

Mr. Shipley briefed the CASB on the status of the review by the Office of Information and Regulatory Affairs (OIRA) and the agencies from the interagency review of the draft *Federal Register* Notice as part of the routine administrative clearance process for the rule prior to publication in the FR. The CASB discussed the concerns raised by the OIRA and agencies. After evaluating the various options to address those concerns, the CASB reached a consensus on how to address them. The CASB directed the Staff to revise the draft FR Notice accordingly for consideration at its next meeting. Next, the CASB reviewed the remaining procedural steps required to be taken prior to the submission of the FR Notice to the *Federal Register* for publication.

CAS (b)(6) Commercial Item Exemption

Mr. Wall briefed the CASB on the latest draft *Federal Register* Notice of the proposed rule on whether to amend the CAS (b)(6) commercial item exemption to clarify the exact coverage of the exemption. After some discussion, the CASB agreed on some additional edits to clarify that the exemption only covers contracts for commercial items. A revised draft FR Notice will be circulated among the CASB members for their consideration as soon as possible.

Status of Cases

Mr. Wong briefed the CASB on the status of various rulemaking cases.

CAS (b)(14) Overseas Exemption: The *Federal Register* published a Final Rule to eliminate the CAS (b)(14) overseas exemption (76 FR 49365, August 10, 2011). Mr. Wong informed the CASB that he has received several inquiries from the public on the implementation of the elimination of the exemption and the resulting consequences.

CAS 403, Allocation Thresholds for Home Office Expenses: The *Federal Register* published a Notice of Discontinuation of Rulemaking on CAS 403, Allocation of Home Office Expenses to Segments – Thresholds for the Use of the Three Factor Formula (76 FR 53377, August 26, 2011).

CAS 416, Catastrophic Insurance: The *Federal Register* published a Notice of Discontinuation of Rulemaking on CAS 416, Accounting for Insurance Costs – Catastrophic Losses (76 FR 53378, August 26, 2011).

CAS (b)(15) Firm-Fixed-Price Contract Exemption (Cost or Pricing Data): 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 “certified cost or pricing data” continues to move through the routine administrative clearance process prior to publication.

Adjournment

The CASB Chair, Mr. Gordon, adjourned the meeting at 10:50 am.

Minutes submitted by Raymond J. M. Wong, August 31, 2011.