



Department of Energy
Washington, DC 20585

January 18, 2013

Cost Accounting Standards Board
Office of Federal Procurement Policy
ATTN: Raymond J. M. Wong
Room 9013
725 17th Street, NW
Washington, DC 20503
casb2@omb.eop.gov

SUBJECT: Comments on CAS Board (b)(6) Commercial Item Exemption

Dear Mr. Wong:

The Department of Energy is pleased to provide comments on the Cost Accounting Standards (CAS) Board's proposed revision to 9903.201-1(b)(6) exempting contracts and subcontracts for the acquisition of commercial items from the Cost Accounting Standards. We are concerned that the proposed exemption could increase the risk of overpayments on contracts and subcontracts for commercial item acquisitions. We recommend the Board develop cost accounting standards and disclosure statement requirements for commercial item acquisitions as required by the Conference Report language under the Federal Acquisition Reform Act (FARA) of 1996 (Pub. L. 104-106).

The blanket exemption for any type of contract or subcontract for the acquisition of commercial items potentially exposes the Government to increased risk of overcharges on commercial item contracts because there is no guiding set of accounting principles to govern the measurement, assignment, and allocation of costs. Congress recognized the risk when it required the Board to promulgate such standards in the Conference Report to the FARA.

We appreciate the Board's seeking public comments on the proposed rule. We would be pleased to assist the Board in developing Cost Accounting Standards and disclosure statement requirements for the acquisition of commercial items.

Sincerely,

A handwritten signature in cursive script that reads "Alison L. Doone".

Alison L. Doone
Deputy Chief Financial Officer

