

CAS Board – 62nd Meeting

November 10, 2010

Chairman Daniel Gordon, the Administrator of the Office of Federal Procurement Policy (OFPP), convened the 62nd meeting of the Cost Accounting Standards (CAS) Board (CASB) on November 10, 2010 at 1:00 P.M. ET. 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, CAS Board Staff.

Agenda Items:

This November 10th meeting is the first CASB meeting attended by Mr. Fitzgerald who is the successor to Ms. April Stephenson as the DOD representative to the CASB. The CASB members welcomed Mr. Fitzgerald to the CASB.

CAS Pension Harmonization

Mr. Shipley briefed the CASB on the working draft of the Federal Register Notice for the final rule, including the draft responses to the public comments and draft text of the final rule, as prepared by the Working Group based on the CASB's instructions from the prior meeting. A discussion followed on the proposed timeline and the sequence of events required for internal clearance of the final rule for publication in the Federal Register. The CASB members will share detailed comments and edits on the draft Federal Register Notice with each other, as well as with the members of the Working Group. Based upon the CASB's comments and edits, the Working Group will prepare a final draft of the Federal Register Notice for the consideration of the CASB for publication in the Federal Register.

CAS Applicability Threshold

Mr. Wong briefed the CASB on the draft interim rule for the CAS applicability threshold, which changes and defines the CAS applicability threshold as the statutorily set Truth in Negotiations Act (TINA) threshold, as adjusted for inflation, in text format rather than its equivalent in a stated dollar amount format. The TINA threshold is an acquisition-related dollar threshold which is required to be adjusted periodically for inflation. It was increased for inflation to \$700,000, effective October 1, 2010 (see 75 FR 53129, August 30, 2010).

After some discussion, the CASB approved the draft interim rule for publication in the Federal Register. Defining the CAS applicability threshold as the TINA threshold amount, as adjusted for inflation, in text format rather than its equivalent in a stated dollar amount format, will provide for any future inflation adjustments to the TINA threshold to flow automatically to the CAS applicability threshold. If the stated dollar amount format for the CAS applicability threshold had been retained in this rulemaking,

a CASB rulemaking would be required to implement each subsequent TINA threshold adjustments for inflation in the future. The rule will be published as an interim rule because the CAS authorizing statute defines the CAS applicability threshold as the TINA threshold, as adjusted for inflation, and the recent inflation adjustment to the TINA threshold, effective as of October 1, 2010, required this CASB rulemaking to adjust the CAS applicability threshold to the increased TINA threshold amount.

The CASB approved interim rule will be submitted for routine administrative clearance prior to publication in the Federal Register.

CAS (b)(14) Overseas exemption

The CAS (b)(14) overseas exemption was not on the agenda. However, Mr. Wong briefed the CASB on the publication of the proposed rule in the Federal Register. No public comments have been received to date. The public comment period for the proposed rule will close on December 20, 2010.

Administrative Matters

The CASB will schedule meetings for January, February, and March 2011. They will be cancelled if they are not necessary.

The Staff will circulate to the CASB a list of outstanding or potential issues that need the attention of the CASB. In subsequent meetings the CASB will consider which issues require consideration by the CASB.

Adjournment

The CASB Chair, Mr. Gordon, adjourned the meeting at 3:05 P.M.

Minutes submitted by Raymond J. M. Wong, November 12, 2010.