

**CAS Board – 66<sup>th</sup> Meeting**  
May 5, 2011

Chairman Daniel Gordon, the Administrator of the Office of Federal Procurement Policy (OFPP), convened the 66<sup>th</sup> meeting of the Cost Accounting Standards (CAS) Board (CASB) on May 5, 2011 at 8:05 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 416, Catastrophic Insurance**

Mr. Shipley briefed the CASB on the draft *Federal Register* Notice of Discontinuation. After some discussion, the CASB made some minor edits and approved the draft FR Notice, and directed the Staff to prepare the FR Notice for the routine administrative clearance process prior to publication.

**CAS Pension Harmonization Rule**

Mr. Shipley briefed the CASB on the status of the consultations on a minor technical question in the draft final rule. At its last meeting, the CASB had authorized consultations with select agencies. The agencies have not responded with comments yet. Mr. Wong briefed the CASB on the status of the informal OMB internal review of the draft *Federal Register* Notice, and on the routine administrative clearance process for the FR Notice prior to publication. The CASB directed that the draft FR Notice of final rule be finalized for the routine administrative clearance progress, upon the completion of the informal reviews recommended by OGC.

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

Mr. Wong briefed the CASB on the proposed responses to the public comments and the draft *Federal Register* Notice of final rule implementing the CASB's decision on the CAS (b)(14) overseas exemption. The CASB provided some minor edits after some discussion, and approved the draft FR Notice. The CASB directed the Staff to prepare the FR Notice 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 its 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 (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 for changes made by its final rule issued on August 30, 2010 (75 FR 53135) by the FAR Council to clarify the usage of the phrase “cost or pricing data” in the FAR. The draft FR Notice proposes a change from the current “cost or pricing data” to explicit 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.

### **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 commercial item exemption found at 48 CFR 9903.201-(b)(6) (the CAS (b)(6) commercial item exemption) to improve readability and to address possible unintended differences that might exist between contract types that are permitted for the acquisition of a commercial item at FAR 12.207 and the coverage of the CAS (b)(6) commercial item exemption, i.e., to clarify CAS applicability for the acquisition of commercial items. After its discussion, the CASB agreed that changes to the preamble of the draft FR Notice were needed. The CASB directed that the revision expand on the nature and purpose of the revision to the proposed rule. It is not the CASB’s intent to exempt from CAS contract types that are not allowed for the acquisition of commercial items. The CASB directed the Staff to prepare the FR Notice incorporating its decision for review at the next scheduled Board meeting.

### **Potential Pension Segment Closing at NASA**

Mr. Wong and Mr. Shipley briefed the CASB on the potential CAS segment closing that will occur at the contractor due to the impending shutdown of the Space Shuttle Program by NASA.

### **Potential CASB Working Groups**

The CASB discussed the resource challenges of potentially authorizing two parallel and independent Working Groups on: Pension Segment Closing, and Computing a Cost Impact. The CASB did not reach any decisions on the WGs, but directed the Staff to contact impacted agencies and solicit commitments from them to support the efforts of the CASB WGs.

### **Other Administrative Matters**

#### **EO 13563 (Retrospective Review of Regulations)**

Mr. Gordon informed the CASB that the requirements of EO 13563 are not applicable to the CASB. They require each agency to develop plans to periodically review its significant regulations to determine whether any such regulations should be modified,

streamlined, expanded, or repealed so as to make the agency's regulatory program more effective or less burdensome in achieving the regulatory objectives. The CASB does not fall within the scope of the applicable agencies covered by the EO.

### **Request for Information on Suggested CAS Issues for Rulemaking**

After a brief discussion, the CASB tabled any further discussions on a Notice of request for information on suggested CAS issues for rulemaking. The CASB will reconsider the publication of such a Notice in the future after progress has been made by the two WGs currently under consideration.

### **Adjournment**

The CASB Chair, Mr. Gordon, adjourned the meeting at 10:15 am.

Minutes submitted by Raymond J. M. Wong, May 9, 2011.