

Project On Government Oversight

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September 12, 2011

Office of Federal Procurement Policy
ATTN: Mr. Raymond J. M. Wong
725 17th Street, N.W.
Room 9013
Washington, D.C. 20503

Via Email: casb2@omb.eop.gov

Re: Cost Accounting Standards: Change to the CAS Applicability Threshold for the Inflation Adjustment to the Truth in Negotiations Act—Interim rule

Dear Mr. Wong:

Thank you for the opportunity to comment on the Cost Accounting Standards (CAS) Board's interim rule entitled "Cost Accounting Standards: Change to the CAS Applicability Threshold for the Inflation Adjustment to the Truth in Negotiations" (76 FR 40817, July 12, 2011). Founded in 1981, the Project On Government Oversight (POGO) is an independent nonprofit that investigates and exposes corruption and other misconduct in order to achieve a more effective, accountable, open, and ethical federal government. POGO has a keen interest in government contracting matters, especially those relating to the ongoing activities of the CAS Board.

As a matter of policy, POGO disagrees with increase in the CAS applicability threshold, but also recognizes that the CAS Board is constrained by the language contained in the OFPP Act at 41 U.S.C. 1502(b)(1)(B). Nevertheless, effectively delegating the authority to establish the CAS contract applicability threshold strikes us as yet another weakening of the CAS Board's basic authority, and we continue to believe that the Board, as is the case with the Federal Acquisition Regulation issuing agencies, should issue its own dollar applicability threshold(s).

Having said this, and recognizing the administrative convenience inherent in the CAS Board's delegation of its authority to the procurement rulemaking agencies re: aligning the CAS applicability threshold with the Truth in Negotiations Act (TINA) threshold, we would still suggest one change to the rule. It seems to us that the phrase "as adjusted for inflation" whenever it appears in the text of the rule is both unnecessary and redundant. If the CAS threshold is set at the TINA threshold, then the phrase "as adjusted for inflation" may tend to confuse the reader. POGO presumes that the CAS Board intends to set the CAS contract applicability threshold at the same level as established by the FAR issuing agencies for the TINA threshold, as of the date of contract award or agreement on price. Accordingly, a much more simple and straightforward approach would be to simply state "... the Truth in Negotiations Act

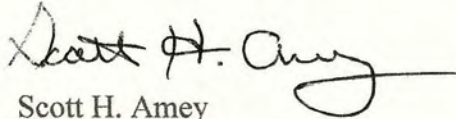
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(TINA) threshold.” The addition of the words “as adjusted for inflation” tends to confuse and conflate exactly what concept is being expressed. Simply stating that the CAS contract threshold is the same dollar amount as the TINA contract threshold should more than adequately encompass the basic concept.

Sincerely,

A handwritten signature in black ink that reads "Scott H. Amey". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Scott H. Amey
General Counsel