



December 4, 2009

Ms. Wendy M. Payne, Executive Director
Federal Accounting Standards Advisory Board
441 G Street, NW, Suite 6814
Washington, DC 20548

*Advancing
Government
Accountability*

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Alexandria, VA 22301

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Dear Ms. Payne:

On behalf of the Association of Government Accountants (AGA), the Financial Management Standards Board (FMSB or the board) appreciates the opportunity to provide comments to the Federal Accounting Standards Advisory Board (FASAB) on its exposure draft (ED) of a proposed Technical Release, *Implementation Guidance on Cleanup Costs Associated with Equipment*.

The FMSB, comprising 23 members with accounting and auditing backgrounds in federal, state and local government, academia and public accounting, reviews and responds to proposed standards and regulations of interest to AGA members. Local AGA chapters and individual members are also encouraged to comment separately.

The majority of FMSB members approved issuance of this comment letter. The FMSB responses to the questions posed in the ED are as follows.

Q1. In the case of cleanup costs associated with equipment at disposal, outlined in paragraphs 12-16, do you agree with the consideration factors to apply as outlined in the guidance? Yes

Q2. In the case of cleanup costs associated with equipment during ongoing operations, outlined in paragraphs 17-21, do you agree with the consideration factors to apply as outlined in the guidance? Yes

Q3. Do you believe additional technical guidance related to equipment cleanup costs at disposal is needed in this proposal? No

Q4. Do you believe additional technical guidance related to equipment cleanup costs during ongoing operations is needed in this proposal? Yes, we believe additional guidance is required. We are concerned that cost estimates made when equipment is installed can be changed as new cleanup methodologies are identified during the life of the equipment, particularly for long lived assets such as ships. We suggest the addition of a paragraph such as paragraph 21 of the proposed *Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment* should be inserted into this ED. This paragraph provides guidance on changes in cost estimates as circumstances change over the life of the asset in question.



We appreciate the opportunity to comment on this document and would be pleased to discuss this letter with you at your convenience. If you have questions concerning the letter, please contact Anna D. Gowans Miller, CPA, AGA's director of research and staff liaison for the FMSB, at amiller@agacgfm.org or 703.684.6931 ext. 313.

Sincerely,



Robert L. Childree, Chair
AGA Financial Management Standards Board

cc: William A. Morehead, Ph.D., CPA, CGFM
AGA National President

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Financial Management Standards Board**

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