OFFICE OF THE UNDER SECRETARY OF DEFENSE
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WASHINGTON, DC 20301-1100

COMPTROLLER

JUL 16 2009

Ms. Wendy M. Payne
Executive Director
Federal Accounting Standards Advisory Board
441 G Street, NW, Suite 6814
Mail stop 6K17V
Washington, DC 20548

Dear Ms. Payne,

The Department of Defense's (DoD) comments on the Exposure Draft, *Exposure Draft Issued Proposing to Defer the Effective Date of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs* are attached. Overall, we agree with the exposure draft. We believe deferring the effective date of implementation will permit reasonable estimates of asbestos-related cleanup costs, now and in the future, that will improve financial information reported to the public.

My point of contact is Mr. Stewart Petchenick. He can be reached at (703) 602-0369.

Sincerely,

Mark E. Easton
Deputy Chief Financial Officer

Attachment
As stated

U.S. Department of Defense
Response to Request for Comments
FASAB Exposure Draft: *Exposure Draft Issued Proposing to Defer the Effective Date of Technical Bulletin 2006-1, Recognition and Measurement of Asbestos-Related Cleanup Costs*

Q1. Do you agree or disagree with the proposed two-year deferral of Technical Bulletin 2006-1? Please explain the reasons for your position in as much detail as possible (see discussion in pars. A1 through A10).

A1. DoD agrees with this proposal. DoD has one general comment. Following "...including conflict of interest concerns and a general lack of knowledge about where to begin." Insert statement, "The primary reason for the difficulties is due to the contingent nature of the cleanup requirement and other unknowns. Federal regulations do not require tracking of nonfriable asbestos and may not require removal even at the time of building renovation or demolition, depending on the material's condition and the disposal method. In addition, the inability to visibly determine the presence of non-friable asbestos or validate its absence is a significant unknown, which some believe can not be adequately supported without testing." Rationale. The inability to visibly determine the presence of non-friable asbestos, and the contingent nature of the regulatory requirements should be stated as the primary reason for a lack of tracking and guidance (Paragraph A2) and "general lack of knowledge about where to begin" (Paragraph A7). Federal regulations do not require tracking of nonfriable asbestos and may not require removal even at the time of building renovation or demolition, depending on the material's condition and the disposal method. TB 2009-1 should acknowledge that federal agencies are encountering difficulties in implementing TB 2006-1 due to these significant unknowns.