

## **NASA Advisory Council Recommendation**

### **NASA Coordinate Government-Wide Effort to Create Common Asbestos Cost Estimate 2013-02-05 (AFAC-01)**

#### **Recommendation:**

The Council recommends that NASA, through the CFO Council, coordinate a government-wide, collaborative effort to create common estimates and benchmarks by structure type that can then be used as a baseline for each agency as they create their own estimates for asbestos remediation (such benchmarks are lacking today). Such a government-wide collaborative effort should result in significant cost savings for the Agency (and for the government) and should lead to a satisfactory audit trail for NASA's external auditors. The participation of the Agency's Inspector General Office through the IG Council should be encouraged by the Administration.

#### **Major Reasons for Proposing the Recommendation:**

The requirement to estimate unfunded environmental liability for asbestos remediation in all NASA facilities has been imposed by the Federal Financial Accounting Standards Board. Every Federal agency has had some requirement imposed upon them.

#### **Consequences of No Action on the Proposed Recommendation:**

Each Federal agency will struggle to develop sound supportable estimates to comply with the standard, resulting in inconsistent methodology across agencies.

#### **NASA Response:**

NASA agrees that formulation of a Government-wide, collaborative effort to create a common cost estimating process for asbestos unfunded environmental liability is needed. Every Agency has had some requirement imposed upon them regarding this requirement and a common methodology would provide consistency across all agencies and save on the cost of developing baseline estimates. NASA concurs that the Chief Financial Officer (CFO) Council is the appropriate body to coordinate this Government-wide initiative. NASA submitted the proposal to the CFO Council for consideration. NASA's OCFO is pledged to work with the Council on the coordination of a common cost estimation process for the benefit of all Federal agencies.

Enclosure