February 11, 2016

Via electronic mail
Governmental Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Re: Project No. 3-27E

Dear Director:

On behalf of the Pennsylvania Institute of Certified Public Accountants (PICPA) and its Local Government Accounting and Auditing Committee, I am writing in support of the Proposed Statement on Certain Asset Retirement Obligations (Project No. 3-27E).

We appreciate the defined criteria for recognizing liabilities and deferred outflows in the case of asset retirement obligations. We also appreciate that this criteria is consistent with GASB Statement #18 on landfills.

In our consideration of this proposed statement, we realized that it would be helpful to have a project that would establish criteria for the valuation of the liability when an estimate is necessary. Our preference would not be to change the methodology in any prior GASB Statement. This project, which perhaps could be a concept statement, would merely link clear criteria to what is already in existence.

The PICPA was founded in 1897, and is the second-oldest CPA organization in the United States. Membership includes practitioners in public accounting, industry, government and education. Affiliation with the PICPA represents commitment to the CPA profession, including adherence to the Code of Professional Conduct and a stringent set of professional and technical standards.

Thank you.

Respectfully submitted,

Cynthia Bergvall, CPA
Chair, GASB Subcommittee
PICPA Local Government Accounting and Auditing Committee