Deletion of a site from the NPL does not itself create, alter, or revoke any individual's rights or obligations. Deletion of a site from the NPL does not in any way alter EPA's right to take enforcement actions, as appropriate. The NPL is designed primarily for informational purposes and to assist EPA management. Section 300.425(e)(3) of the NCP states that the deletion of a site from the NPL does not preclude eligibility for future response actions, should future conditions warrant such actions.

IV. Basis for Full Site Deletion

The site to be deleted from the NPL, the location of the site, and docket number with information including reference documents with the rationale and data principally relied upon by the EPA to determine that the Superfund response is complete are specified in table 1. The NCP permits activities to occur at a deleted site, or that media or parcel of a partially deleted site, including operation and maintenance of the remedy, monitoring, and five-year reviews. These activities for the site are entered in table 1, if applicable, under Footnote such that: 1= site has continued operation and maintenance of the remedy; 2= site receives continued monitoring; and 3= site five-year reviews are conducted.

TABLE 1

Site name	City/county, state	Type	Docket No.	Footnote
Corozal Well	Corozal, PR	Full	EPA–HQ–OLEM–2025–1247.	

Table 2 includes information concerning whether the full site is proposed for deletion from the NPL or a description of the area, media or Operable Units (OUs) of the NPL site proposed for partial deletion from the NPL, and an email address to which public comments may be submitted if the commenter does not comment using *https://www.regulations.gov.*

TABLE 2

Site name	Full site deletion (full) or media/parcels/description for partial deletion	Email address for public comments
Corozal Well	Full	*chacon.hermes@epa.gov.*

EPA maintains the NPL as the list of sites that appear to present a significant risk to public health, welfare, or the environment. Deletion from the NPL does not preclude further remedial action. Whenever there is a significant release from a site deleted from the NPL, the deleted site may be restored to the NPL without application of the hazard ranking system. Deletion of a site from the NPL does not affect responsible party liability in the unlikely event that future conditions warrant further actions.

List of Subjects in 40 CFR Part 300

Environmental protection, Air pollution control, Chemicals, Hazardous substances, Hazardous waste, Intergovernmental relations, Natural resources, Oil pollution, Penalties, Reporting and recordkeeping requirements, Superfund, Water pollution control, Water supply.

Authority: 33 U.S.C. 1251 *et seq.;* 42 U.S.C. 9601–9657; E.O. 13626, 77 FR 56749, 3 CFR, 2013 Comp., p. 306; E.O. 12777, 56 FR 54757, 3 CFR, 1991 Comp., p. 351; E.O. 12580, 52 FR 2923, 3 CFR, 1987 Comp., p. 193.

Steven Cook,

Principal Deputy Assistant Administrator, Office of Land and Emergency Management.

[FR Doc. 2025–17505 Filed 9–10–25; 8:45 am]

BILLING CODE 6560–50–P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

43 CFR Parts 1600 and 6100

[PO #4820000251; Order #02412–014–004–047181.0]

RIN 1004–AF03

Rescission of Conservation and Landscape Health Rule

AGENCY: Bureau of Land Management, Interior.

ACTION: Proposed rule.

SUMMARY: The Bureau of Land Management (BLM) is proposing to rescind the Conservation and Landscape Health Rule, issued as a final rule on May 9, 2024. We solicit comment on all aspects of this rule.

DATES: Comments must be received by November 10, 2025. The BLM is not obligated to consider any comments received after this date in making its decision on the final rule.

ADDRESSES:

Mail, Personal, or Messenger Delivery: U.S. Department of the Interior, Director (630), Bureau of Land Management, 1849 C St. NW, Room 5646, Washington, DC 20240, Attention: 1004–AF03.

Federal eRulemaking Portal: https://www.regulations.gov. In the Searchbox, enter ''BLM–2025–0001'' and click the ''Search'' button. Follow the instructions at this website.

FOR FURTHER INFORMATION CONTACT: Kyle Moorman, Chief, Division of Regulatory Affairs and Directives, telephone: 202–527–2433, email: *kmoorman@blm.gov* with a subject line of ''RIN 1004–AF03.'' Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States. For a summary of the proposed rule, please see the proposed rule summary document in docket BLM–2025–0001 on *www.regulations.gov.*

SUPPLEMENTARY INFORMATION: The BLM is proposing to rescind the Conservation and Landscape Health Rule adopted on May 9, 2024, via 89 FR 40308, with an effective date of June 10, 2024, and codified in amendments to 43 CFR part 1600 and the newly created 43 CFR part 6100 (2024 Rule). The 2024 Rule established a ''policy for the BLM to build and maintain the resilience of ecosystems on public lands in three primary ways: (1) protecting the most intact, functioning landscapes; (2) restoring degraded habitat and

ecosystems; and (3) using science and data as the foundation for management decisions across all plans and programs.'' (89 FR 40308).)

The BLM has determined, based on a review of the Conservation and Landscape Health Rule, that the 2024 Rule is unnecessary and violates existing statutory requirements. Among other things, the 2024 Rule is unnecessary to facilitate, and even undermines, the BLM's management of the public lands under applicable law, including the direction in the Federal Land Policy and Management Act (FLPMA) to manage public land under principles of multiple use and sustained yield, except where the land has been dedicated to a specific use by other provisions of law. The 2024 Rule constrains agency flexibility necessary to manage under such principles. Accordingly, we propose to rescind the 2024 Rule in full and seek comment on that proposal.

The 2024 Rule's leasing provisions threaten to upset the appropriate balance that the BLM must strike when managing public land under principles of multiple use and sustained yield. The BLM is charged by statute to regulate the ''use, occupancy, and development'' of public lands in accordance with the principles of ''multiple use'' and ''sustained yield.'' 43 U.S.C. 1732.[1] But the Conservation and Landscape Health Rule identifies conservation—a non-use—as a productive use for leases and permits. This is contrary to the BLM's mandate and statutory authority. Conservation is not a ''use'' under the statute. Under a more appropriate implementation of FLPMA's mandate, the BLM works to conserve resources, as appropriate, to ensure balanced resource use while also achieving and maintaining appropriate output of those resources, in all cases consistent with the principles of multiple use and sustained yield. It does so through its own affirmative land management work and in partnership with other entities, including other government agencies, but it does not follow that FLPMA's leasing authority may be used to that end.

As many commenters pointed out during the public comment process on the 2024 Rule, the restoration and mitigation leases for which the Rule provides may preclude other uses of the public lands, running contrary to the notion of multiple use. The Rule ultimately vests too much discretion in individual authorizing officers to preclude other, productive uses, such as grazing, mining, and energy development, as incompatible with the goals of the restoration or mitigation under the lease, potentially over large tracts of public land. In reviewing the need for the 2024 Rule, the BLM has determined that it has sufficient tools to manage the public lands without inviting third parties to seek land use authorizations for those types of activities traditionally performed by the Bureau. For example, Interior may withdraw land under 43 U.S.C. 1714, but only after following certain procedural requirements. The 2024 Conservation and Landscape Health Rule, to the contrary, permits the BLM to take effectively the same action under a different guise without following the statutorily required procedures. For these reasons, the BLM has determined it is appropriate to repeal the leasing provisions at 43 CFR 6102.4 and 6102.4.1.

Congress often permits agencies to set aside land and to prevent development for preservation purposes, such as when Congress designates a Wilderness Area or National Park. But when Congress does take such action, it says so explicitly. The Conservation and Landscape Health Rule, therefore, makes no sense in statutory context and is not supported by clear statutory authority. *West Virginia* v. *EPA,* 597 U.S. 697 (2022).

The 2024 Rule also unlawfully and unnecessarily expanded the scope of the BLM's regulations governing the designation and management of areas of critical environmental concern (ACECs). ACEC designations (and nominations) can create conflicts with the use of BLM-managed land for recreation, grazing, development, and extractive uses. ACEC nominations often target public land that is subject to pending project applications, causing project delays even when the nominations are clearly without merit. In order to manage the public lands under principles of multiple use and sustained yield, the BLM must have the flexibility to protect resources while also allowing for productive use of the land, in all cases where appropriate. The 2024 Rule allows for temporary management of ACECs with hardly any of the procedures usually required to designate ACECs. This distorts the normal ACEC process. These temporary management areas not yet designated as ACECs interfere with productive use of the land without engaging in the planning process. Thus, the 2024 Rule denies opportunities for public participation to determine whether the ACEC designation is even warranted. Moreover, the 2024 Rule's heightened standard for de-designation of an existing ACEC puts an added and unnecessary burden on any effort to revisit the continuing need for protection in those places, including where a different use of the land would be both appropriate and productive. For these reasons, the BLM proposes to restore the ACEC regulations to the form they took prior to promulgation of the 2024 Rule. The BLM is also inviting public comment as to whether those legacy ACEC regulations should be restored verbatim, as is proposed, or revised to allow for more efficient and flexible management of ACECs as part of managing under principles of multiple use and sustained yield. It is the policy of the Secretary that ACEC regulations should be as flexible as possible to allow for productive uses of land consistent with FLPMA.

The 2024 Rule's land health regulations, meanwhile, include provisions that often require the BLM to act on a fixed or rapid timetable, interfering with previously authorized use of the public lands. These provisions hamstring the Bureau by displacing its usual processes to meet a deadline. The 2024 Rule therefore interferes with the Bureau's ability to reach the decision that best balances management of the public lands for multiple use and sustained yield. Because that action-forcing mechanism is the lynchpin of the land health provisions, the BLM is proposing to repeal 43 CFR subpart 6103, promulgated by the 2024 Rule.

The BLM has also determined that the balance of the regulations promulgated by the 2024 Rule across 43 CFR part 6100 add unnecessary burdens to BLM decision making and management of the public lands. Although they tend not to compel specific BLM action, they affect

[1] FLPMA defines both terms. Multiple use ''means the management of the public lands and their various resource values so that they are utilized in the combination that will best meet the present and future needs of the American people; making the most judicious use of the land for some or all of these resources or related services over areas large enough to provide sufficient latitude for periodic adjustments in use to conform to changing needs and conditions; the use of some land for less than all of the resources; a combination of balanced and diverse resource uses that takes into account the long-term needs of future generations for renewable and nonrenewable resources, including, but not limited to, recreation, range, timber, minerals, watershed, wildlife and fish, and natural scenic, scientific and historical values; and harmonious and coordinated management of the various resources without permanent impairment of the productivity of the land and the quality of the environment with consideration being given to the relative values of the resources and not necessarily to the combination of uses that will give the greatest economic return or the greatest unit output.'' 43 U.S.C. 1702(c). Sustained yield ''means the achievement and maintenance in perpetuity of a high-level annual or regular periodic output of the various renewable resources of the public lands consistent with multiple use.'' *Id.* § 1702(h).

BLM processes by requiring that the BLM consider certain values (*e.g.,* ''intact landscapes'') in planning or document a justification for implementation-level decisions that would have certain impacts. The BLM should, and already does, consider and account for the full range of issues and values when engaged in the planning process and for the impacts of the permitting and other implementation-level management decisions that it makes. To provide by rule for an additional requirement to do so, however, invites third-party challenge to BLM planning and permitting decisions, including many fruitless challenges designed to slow down the implementation of those decisions through litigation. For that reason, among others, the BLM is proposing to repeal those provisions.

Finally, the 2024 Rule and its economic analysis concluded that the rule was not anticipated to have wide-reaching impacts. The agency received 216,403 public comments, 152,673 of which the agency formally considered at final. Many of these comments, including those submitted by representatives of landowners, states, and municipalities, expressed concern that the 2024 Rule would have wide-ranging economic impacts that may have been materially underestimated in the analysis. In re-evaluating the 2024 Rule, the agency is taking a closer look at those public comments and believes that they may raise important questions about whether the economic impacts of the 2024 Rule were materially underestimated. The agency is therefore soliciting comment on the economic effects associated with both the 2024 Rule and this proposal to repeal that rule.

The BLM seeks comment on all of the above, as well as any other reasons to keep or rescind the 2024 Conservation and Landscape Health Rule. The BLM would appreciate comments on, among other things, the statutory authority for the 2024 Rule, the costs and benefits of the 2024 Rule, and the effect of the 2024 Rule on productive uses of land.

Procedural Matters

Regulatory Flexibility Act

Under the Regulatory Flexibility Act (as amended by the Small Business Regulatory Enforcement Fairness Act (SBREFA) of 1996; 5 U.S.C. 601 *et seq.*), whenever a Federal agency is required to publish a notice of rulemaking for any proposed or final rule, it must prepare and make available for public comment a regulatory flexibility analysis that describes the effect of the rule on small entities (*i.e.,* small businesses, small organizations, and small government jurisdictions). No regulatory flexibility analysis is required if the head of an agency or an appropriate designee certifies that the rule will not have a significant economic impact on a substantial number of small entities. Here, if adopted as proposed, this rule may have a significant economic impact on a substantial number of small entities.

This proposed rule seeks comment on the rescission of the 2024 Conservation and Landscape Health Rule. When it promulgated the Conservation and Landscape Health rule in 2024, the BLM certified that it would not have a significant economic effect on a substantial number of small entities under the Regulatory Flexibility Act. That analysis identified the size standards defining small businesses in the many different industries that may be affected by the 2024 Rule, including beef cattle ranching, natural resource extraction, energy production, energy transmission, and environmental consulting and remediation services. Based on these size standards, the BLM concluded that there may be small businesses affected by the 2024 Rule. However, based on the information available, the BLM did not find evidence suggesting there would be a significant impact on these small businesses.

Because this proposed rule would rescind that 2024 Rule, it is expected that there may be impacts on small businesses but in the reverse. The size of the potential impact on these businesses is unknown at this time. Repeal of certain provisions of the 2024 Rule, such as the provisions related to restoration or mitigation leases and land health standards, may decrease restoration and mitigation activity on public lands. This may negatively impact small entities working in environmental consulting and remediation, or other land users. Conversely, the proposed rule may benefit small entities in grazing or extractive resource sectors if provisions of the 2024 Rule would have reduced their opportunities to operate on public lands.

The reasons for this deregulatory action are set out above, along with a succinct statement of the objectives and legal basis for the proposed rule. *See* 5 U.S.C. 603(b)(1)–(2). Further description of the number of small entities potentially impacted by this deregulatory action and the size of any impact is provided in the document titled, ''Economic Analysis for Draft Rescission: Conservation and Landscape Health Rule,'' which is part of the eRulemaking docket. As part of the public comment process and for its final regulatory flexibility analysis under 5 U.S.C. 604, if one is required, the BLM will undertake that estimate process in consultation with the Office of Advocacy.

The BLM considered two alternatives to the proposed rule. First, the BLM considered a partial repeal of the 2024 requirements that would repeal all sections except those related to restoration and mitigation leases (43 CFR 6102.4). Such a repeal was not selected because there are serious questions concerning the BLM's authority to maintain those provisions and because repeal of the leasing provisions is of particular policy concern. Second, the BLM considered phasing in the repeal of the 2024 Rule over time. This option was not selected because it would unnecessarily delay any benefits from this Proposed Rule.

Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501–3521) generally provides that an agency may not conduct or sponsor, and not withstanding any other provision of law a person is not required to respond to, a collection of information, unless it displays a currently valid Office of Management and Budget (OMB) control number. The information collection requirements contained in Part 6100 are approved by OMB under OMB Control Number 1004–0218 with a current expiration date of January 31, 2028.

The proposed rule would eliminate the following information collection requirements:

- Restoration and Mitigation Leasing/ Restoration or Mitigation Development Plan—43 CFR 6102.4(a)(6) and (7);
- Restoration and Mitigation Leasing/ Additional Information 43 CFR 6102.4(a)(8);
- Restoration and Mitigation Leasing/ Monitoring Plan—43 CFR 6102.4(a)(9);
- Restoration and Mitigation Leasing/ Annual Report—43 CFR 6102.4(a)(9);
- Termination and Suspension of Restoration and Mitigation Leases/ written request to resume or suspended activity—43 CFR 6102.4.1(d)(3);
- Bonding for Restoration and Mitigation Leases—43 CFR 6102.4.2(a);
- Mitigation/Approval third parties as mitigation fund holders—43 CFR 6102.5.1(e); and
- Mitigation/Approval third parties as mitigation fund holders/Annual Fiscal Reports—43 CFR 6102.5.1(e).

Upon the publication of the final rule in the **Federal Register**, as applicable, the BLM will submit a request to OMB

to discontinue OMB Control Number 1004–0218. The proposed rescission of these regulations, along with the information collection requirements contained therein and the discontinuance of OMB Control Number 1004–0218 would reduce public information collection burdens by 63 annual responses and 1,459 annual burden hours.

If you want to comment on the proposed rescission of the information-collection requirements that would result from this proposed rule, please send your comments and suggestions on this proposed action as previously described in the **DATES** and **ADDRESSES** sections.

National Environmental Policy Act

The BLM intends to apply the Departmental Categorical Exclusion (CX) at 43 CFR 46.210(i) to comply with the National Environmental Policy Act (NEPA). This CX covers policies, directives, regulations, and guidelines that are of an administrative, financial, legal, technical, or procedural nature or whose environmental effects are too broad, speculative, or conjectural to lend themselves to meaningful analysis and will later be subject to the NEPA process, either collectively or case-by-case. Further, the proposed rule does not implicate any of the extraordinary circumstances listed in 43 CFR 46.215. The BLM plans to document the applicability of the CX concurrently with development of the final rule.

Regulatory Planning and Review Under Executive Order 12866

Section 6(a) of E.O. 12866 requires agencies to submit ''significant regulatory actions'' to OIRA for review. OIRA has determined that this proposed regulatory action constitutes a ''significant regulatory action'' under section 3(f) of E.O. 12866. Accordingly, this action was submitted to OIRA for review under E.O. 12866.

BLM is required to conduct an economic analysis in accordance with section 6(a)(3)(B) of E.O. 12866. More can be found in the document titled, ''*Economic Analysis for Draft Recission: Conservation and Landscape Health Rule,*'' which is part of the eRulemaking docket.

Review Under Executive Orders 14154 and 14192

DOI has examined this proposed rulemaking and has tentatively determined that it is consistent with the policies and directives outlined in E.O. 14154 ''Unleashing American Energy,'' and E.O. 14192, ''Unleashing Prosperity Through Deregulation.'' This proposed rule, if finalized as proposed, is expected to be an E.O. 14192 deregulatory action.

Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use (E.O. 13211)

Under E.O. 13211, agencies are required to prepare and submit a Statement of Energy Effects to the Administrator of the Office of Information and Regulatory Affairs, Office of Management and Budget, for those matters identified as significant energy actions. This statement is to include a detailed statement of ''any adverse effects on energy supply, distribution, or use (including a shortfall in supply, price increases, and increased use of foreign supplies) should the proposal be implemented'' and ''reasonable alternatives to the action with adverse energy effects and the expected effects of such alternatives on energy supply, distribution, and use.''

Section 4(b) of E.O. 13211 defines a ''significant energy action'' as ''any action by an agency (normally published in the **Federal Register**) that promulgates or is expected to lead to the promulgation of a final rule or regulation, including notices of inquiry, advance notices of proposed rulemaking, and notices of proposed rulemaking: (1)(i) that is a significant regulatory action under E.O. 12866 or any successor order, and (ii) is likely to have a significant adverse effect on the supply, distribution, or use of energy; or (2) that is designated by OIRA as a significant energy action.''

This proposed rule, if finalized as proposed, is expected to not have a significant effect on the Nation's energy supply.

(Authority: 16 U.S.C. 7202; 43 U.S.C. 1701 *et seq.*)

This action is taken pursuant to an existing delegation of authority.

Adam G. Suess,

Acting Assistant Secretary, Land and Minerals Management.

List of Subjects

43 CFR Part 1610

Administrative practice and procedure, Coal, Environmental impact statements, Environmental protection, Intergovernmental relations, Public lands, Preservation and conservation.

43 CFR Part 6100

Ecosystem resilience, Conservation use, Land health, and Restoration.

For the reasons set out in the preamble, the Bureau of Land Management proposes to amend 43 CFR parts 1600 and 6100 as follows:

PART 1600—PLANNING, PROGRAMMING, BUDGETING

■ 1. The authority citation for part 1600 continues to read as follows:

Authority: 43 U.S.C. 1711–1712

■ 2. Revise § 1610.7–2 to read as follows:

§ 1610.7–2 Designation of areas of critical environmental concern.

Areas having potential for Areas of Critical Environmental Concern (ACEC) designation and protection management shall be identified and considered throughout the resource management planning process (see §§ 1610.4–1 through 1610.4–9).

(a) The inventory data shall be analyzed to determine whether there are areas containing resources, values, systems or processes or hazards eligible for further consideration for designation as an ACEC. In order to be a potential ACEC, both of the following criteria shall be met:

(1) Relevance. There shall be present a significant historic, cultural, or scenic value; a fish or wildlife resource or other natural system or process; or natural hazard.

(2) Importance. The above-described value, resource, system, process, or hazard shall have substantial significance and values. This generally requires qualities of more than local significance and special worth, consequence, meaning, distinctiveness, or cause for concern. A natural hazard can be important if it is a significant threat to human life or property.

(b) The State Director, upon approval of a draft resource management plan, plan revision, or plan amendment involving ACECs, shall publish a notice in the **Federal Register** listing each ACEC proposed and specifying the resource use limitations, if any, which would occur if it were formally designated. The notice shall provide a 60-day period for public comment on the proposed ACEC designation. The approval of a resource management plan, plan revision, or plan amendment constitutes formal designation of any ACEC involved. The approved plan shall include the general management practices and uses, including mitigating measures, identified to protect designated ACEC.

PART 6100—[REMOVED]

■ 3. Under the authority of 43 U.S.C. 1701 *et seq.,* remove part 6100.

[FR Doc. 2025–17537 Filed 9–10–25; 8:45 am]

BILLING CODE 4331–27–P

OFFICE OF MANAGEMENT AND BUDGET

Office of Federal Procurement Policy

48 CFR Part 9903 and 9904

RIN 0348–AB90

Conformance of Cost Accounting Standards to Generally Accepted Accounting Principles for Cost Accounting Standards 404, 408, 409, and 411

AGENCY: Cost Accounting Standards Board, Office of Federal Procurement Policy, Office of Management and Budget.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Office of Federal Procurement Policy (OFPP), Cost Accounting Standards Board (the Board), is releasing this notice of proposed rulemaking (NPRM) to elicit public comments on proposed changes to the Cost Accounting Standards (CAS) to conform CAS 404, 408, 409, and 411 to Generally Accepted Accounting Principles (GAAP). This notice combines CAS Board Case 2020–01 related to CAS 404 and CAS 411 and CAS Board Case 2021–02 related to CAS 408 and CAS 409 to provide a streamlined and efficient process for expedited completion of rulemaking for these two cases.

DATES: Comments must be in writing and must be received by October 14, 2025.

ADDRESSES: Submit comments to the *Federal Rulemaking Portal: https://www.regulations.gov.* by searching for ''CASB 2025–01''. Select the link ''Comment Now'' that corresponds with ''CASB 2025–01''. Follow the instructions provided on the ''Comment Now'' screen. Please include your name, company name (if any), and ''CASB 2025–01'' on your attached document. If your comment cannot be submitted using *https://www.regulations.gov,* call or email the points of contact in the **FOR FURTHER INFORMATION CONTACT** section of this document for alternate instructions. Comments received generally will be posted without change to *https://www.regulations.gov,* including any personal and/or business confidential information provided. Public comments may be submitted as an individual, as an organization, or anonymously (see frequently asked questions at *https://www.regulations.gov/faq*). To confirm receipt of your comment(s), please check *https://www.regulations.gov,* approximately two or three days after submission to verify posting.

Privacy Act Statement: The Board proposes this rule to elicit public views pursuant to 41 U.S.C. 1502. Submission of comments is voluntary. The information will be used to inform sound decision-making. Do not include any information you would not like to be made publicly available. Additionally, the OMB System of Records Notice, OMB Public Input System of Records, OMB/INPUT/01, 88 FR 20913 (available at *www.federalregister.gov/documents/2023/04/07/2023–07452/privacy-act-of-1974-system-of-records*), includes a list of routine uses associated with the collection of this information.

FOR FURTHER INFORMATION CONTACT: John L. McClung, Manager, Cost Accounting Standards Board (telephone: 202–881–9758; email: *john.l.mcclung2@omb.eop.gov*).

SUPPLEMENTARY INFORMATION:

I. Background

Section 820 of the 2017 National Defense Authorization Act modified statutory responsibilities of the Board, codified at 41 U.S.C. 1501(c). These changes require the Board to conform CAS to GAAP and minimize the burden on contractors while protecting the interests of the Government. On March 13, 2019, the Board published a staff discussion paper (SDP) (84 FR 9143). The SDP established a global roadmap to help guide its approach to conformance. The roadmap identified seven standards (404, 407, 408, 409, 411, 415, and 416) as most suitable for potential conformance to GAAP. Each of these standards focuses primarily on cost measurement and assignment of costs to accounting periods.

The Board noted that despite the difference in general focus between CAS and GAAP, there has been some convergence over the years as GAAP has evolved to address cost measurement and assignment of costs to accounting periods. Furthermore, the creation of the Financial Accounting Standards Boards (FASB) and the Accounting Standards Codification (ASC) as the recognized financial accounting and reporting standards for GAAP fosters increased uniformity and consistency. The FASB is recognized by the U.S. Securities and Exchange Commission as the designated accounting standard setter for public companies. FASB standards are recognized as authoritative by many other organizations, including State Boards of Accountancy and the American Institute of Certified Public Accountants (AICPA). The Board has concluded that these developments create opportunities to modify or eliminate overlapping CAS requirements—many of which have remain unchanged for over 50 years—where GAAP standards under ASC may be applied reasonably as a substitute for CAS to support contract cost and pricing.

The March 2019 SDP also included the Board's initial assessment of CAS 408 and CAS 409 to conform them, where practicable, to GAAP. Based on the public comments from the SDP, and additional research conducted by the Board, the Board published an advanced notice of proposed rulemaking (ANPRM) (89 FR 53575) on June 27, 2024. The ANPRM noted the Board's provisional conclusions that CAS 408 could be eliminated in its entirety and the vast majority of CAS 409 could also be eliminated.

On September 18, 2020, the Board published an SDP (85 FR 58399) to solicit views with respect to the Board's initial assessment of CAS 404 and CAS 411 to conform them, where practicable, to GAAP. Based on the public comments from the SDP, and additional Board research, the Board published an ANPRM (90 FR 5803) on January 17, 2025. The ANPRM noted the Board's provisional conclusions that the vast majority of CAS 404 could be eliminated and that CAS 411 could be eliminated in its entirety.

In regards to CAS 408 and CAS 411, the Board provisionally concluded that these standards in their entirety have become unnecessary to protect the Government's interests, which may be achieved through reliance on GAAP, existing requirements in other CAS Standards, and the Federal Acquisition Regulation (FAR).

In regards to CAS 404 and CAS 409, the Board provisionally concluded that nearly all of the content in these standards has become unnecessary to protect the Government's interests which may be achieved through reliance on GAAP, existing requirements in other CAS Standards and the FAR. Because of the limited amount of content identified for retention, the Board provisionally concluded that moving the retained requirements to another Standard rather than maintaining CAS 404 and CAS 409 with minimal content would best achieve the goal of streamlining CAS.