March 29, 2016

Director of Research and Technical Activities
Governmental Accounting Standards Board
401 Merritt 7, PO Box 5116
Norwalk, CT 06856-5116

Dear Sir:

We appreciate the opportunity to comment on the exposure draft, Certain Asset Retirement Obligations. We offer the following comments for your consideration:

The exposure draft states that an external obligating event would be based on the approval date, not the effective date, of laws or regulations. This requirement not only will lead to the reporting of amounts that would not be enforceable at the statement date, but also may lead to reporting of amounts that could prove to be very inaccurate by not allowing time for guidance from cognizant agencies to be available after the laws or regulations are approved.

We have raised a concern regarding inconsistency of liability estimate methodology in the past; specifically, the difference between claims being estimated as most likely to be paid and pollution remediation being estimated as a weighted probability. This exposure draft includes both those options. We believe financial reporting consistency would be improved to limit the methodologies offered.

Thank you for the opportunity to participate in the standard-setting process.

Sincerely,

Brenda Morris, CPA
Financial Services Director

cc Roberta Broeker-do

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