October 14, 2025

Mr. Mathew Blum
Acting Administrator
Office of Federal Procurement Policy
Office of Management and Budget
Washington, DC 20503

Subject: Feedback on Federal Acquisition Regulation Overhaul – Part 30

Dear Mr. Blum,

On behalf of the Aerospace Industries Association (AIA), representing the nation's leading aerospace and defense companies, we commend the Administration's continued efforts to modernize and streamline the Federal Acquisition Regulation (FAR). We appreciate the opportunity to provide informal feedback throughout the FAR Overhaul effort and previously submitted comments on several revisions released to date.[1] Our member companies have reviewed the proposed changes to FAR Part 30 (Cost Accounting Standards) and offer the comments and recommendations below.

1. Alignment of the Cost Accounting Standards (CAS) to the Generally Accepted Accounting Principles (GAAP): Broadly, FAR Part 30 requires certain contractors and subcontractors to comply with the government's CAS. The resource-intensive nature of complying with government-unique CAS requirements in addition to the GAAP, as required by the U.S. Securities and Exchange Commission, is a significant and unique burden levied on companies who work with the federal government. Unlike GAAP, which has been actively maintained and has kept pace with changes in the global marketplace, CAS is outdated, making meaningful application of some requirements challenging. AIA recommends that CAS be reviewed and aligned with GAAP to the maximum extent practicable, consistent with the statutory intent of Section 820 of the FY17 National Defense Authorization Act (NDAA) and Section 1824 of the FY26 House Armed Services Committee NDAA.

2. Combining Cost Impacts: The revised FAR Part 30 prohibits combining cost impacts from multiple changes in the aggregate. This means that each change must be evaluated and negotiated separately, which poses greater administrative complexity to both the government and contractors. Furthermore, this prohibition inequitably benefits the government as it requires the government to pursue recovery for increased costs without acknowledging the offsetting savings in calculating the aggregate impact. To streamline and simplify administration of CAS, and ensure equity, AIA recommends eliminating the prohibition (Citation: revised FAR Subpart 30.405(a)(3)).

3. Calculating the Cost Impact of Noncompliant Practices: The revised FAR Part 30 eliminates language which provided guidance on how to calculate the increased or decreased cost to the government associated with noncompliant practices that involve accumulating costs. As this guidance is essential for consistent and transparent

[1] AIA Feedback on Revised FAR Parts 1, 10, 34; AIA Feedback on Revised FAR Parts 11, 18, 39, 43; AIA Feedback on Revised FAR Part 6; AIA Feedback on Revised FAR Parts 29, 31; AIA Feedback on Revised FAR Part 35; AIA Feedback on Revised FAR Part 50; AIA Feedback on Revised FAR Part 5; AIA Feedback on Revised FAR Parts 9, 33, 49

assessments, AIA recommends retaining the original language (Citation: original FAR Subpart 30.605(h)(4)(i)-(ii)).

4. Exclusion of Certain Fixed-Price Contracts from Cost Impact Calculation Requirements: The revised FAR Part 30 applies cost impact calculation requirements to fixed-price contracts that are not subject to re-determination. As no financial adjustments can be made to these contracts, these rules add significant administrative burden on contractors to perform detailed cost impact calculations without benefit. To simplify CAS administration and reduce unnecessary and non-value-added requirements, AIA recommends revising FAR Subpart 30.403 to exclude such contracts (Citation: revised FAR Subpart 30.403(b) and FAR Subpart 30.403(e)).

5. Clarification of Terminology: The revised FAR Part 30 proposes a change from "noncompliances" to "nonconformances" in one specific instance. However, "nonconformance" is not defined in FAR Part 30 and is only used once. As the term "noncompliance" is clearly defined in FAR Part 30.001 and used consistently throughout FAR Part 30 and related clauses, AIA recommends using this term throughout (Citation: revised FAR Subpart 30.405(a)(3)(ii)(C)).

6. Implementing Required Changes Without Cost Impact: AIA supports adding a new provision within the revised FAR Part 30.302-1, allowing contractors to implement required changes without triggering cost impacts for reasons other than a new or modified contract when such changes are necessary to remain compliant due to evolving business conditions. This would better enable industry to improve its cost accounting practices and shed legacy practices. To that end, AIA recommends adding a new subsection at the end of 30.302-1 which states: "(e) *Required changes for reasons other than a new or modified standard.* When a change is required to remain in compliance with existing standard(s) that result in increased costs in the aggregate to the government, the contractor may implement changes without any equitable adjustments to the contract." (Citation: revised FAR Subpart 30.302-1).

7. Notification of Changes to Established Cost Practices: The revised FAR Part 30 retains requirements for the contractor to provide the Cognizant Federal Agency Official (CFAO) with not less than 60 days' notice before making certain required changes or unilateral and desirable changes to the cost accounting practice. AIA recommends reducing the advance notification period in these instances from 60 to 30 days. This better reflects the reality of business decision timelines and reduces reliance on contracting officer discretion for late submissions (Citation: revised FAR Subpart 30.302-1(c)(2)(i) and 30.302-2(c)(1)(i)).

8. Expanding Desirable Changes for Accuracy and Efficiency: The revised FAR Part 30 identifies the factors that should be considered by a CFAO when determining if a change to a cost accounting practice is desirable. AIA recommends expanding the factors to also include situations where a contractor transitions from one compliant system to another that provides more accurate or appropriate cost accounting practices. This will encourage industry to implement desirable changes when better and less burdensome systems become available. AIA recommends adding the following new subparagraph to the revised FAR Subpart 30.302-2(b)(3): "The contractor is changing from one compliant cost accounting practice to another compliant cost accounting practice that is more appropriate or accurate and was previously not available to the contractor when the original practice was first established.” (Citation: original FAR Subpart 30.302-2(b)(3)).

9. Clarification of General Dollar Magnitude (GDM) Proposal Requirements for Unilateral Changes: The revised FAR Part 30 appears to unintentionally remove a phrase related to the procedures for processing unilateral changes to disclosed or established cost accounting practices. AIA recommends restoring the full original text to the revised FAR Subpart 30.302-3(b)(1)(ii)(B) to ensure clarity in GDM proposal requirements, which appears to have been inadvertently truncated. The sentence should read: “(B) For any request other than those based on the criteria in 30.302-2(b)(3)(ii), a GDM proposal or any other data necessary for the CFAO to determine if the change is desirable.” (Citation: original FAR Subpart 30.604(b)(1)(ii)(B)).

10. Materiality Determinations: AIA recommends adding language in the revised FAR Subpart 30.402 to reinforce the requirement for the CFAO to consider all the criteria identified in 48 Code of Federal Regulations (CFR) 9903.305 when determining materiality. This would help to ensure a more balanced and contextual evaluation of materiality. As such, AIA recommends including the following subparagraph in FAR Subpart 30.402(b): “(3) May not be made solely on the absolute dollar value of a cost impact and must consider all the criteria in 48 CFR 9903.305.” (Citation: revised FAR Subpart 30.402(b)).

11. Incentives, Fees, and Profit Impact Calculations Based on Materiality: AIA recommends providing additional flexibility for incentives, fees and profit impact calculations under FAR 30.403 and FAR 30.404 by making them conditional on materiality. Calculating the impact on incentives, fees, and profits for every cost accounting change can be time-consuming and resource-intensive. By focusing efforts only on changes that have meaningful financial impact, this change would reduce administrative burden on both industry and the government and improve efficiency. To that end, AIA recommends revising the following:

- FAR Subpart 30.403(b)(1)(vi)(A) to read: “A GDM estimate of the total increase or decrease in cost accumulations by Executive agency, and, to the extent that it is estimated to be material, any impact the change may have on contract and subcontract incentives, fees, and profits, for each of the following groups:…”
- FAR Subpart 30.403(e)(3)(iii) and FAR Subpart 30.404(h)(5) to read: “If estimated to be material in amount, calculate the total increase or decrease in contract and subcontract incentives, fees, and profits associated with the increased or decreased costs to the government in accordance with 48 CFR 9903.306(c). If identification of actual incentives, fees and profits is not practical, any other method that provides a reasonable approximation of incentives, fees and profits may be acceptable. The associated increase or decrease is based on the difference between the negotiated incentives, fees, and profits and the amounts that would have been negotiated…”

(Citation: revised FAR Subparts 30.403(b)(1)(vi)(A), 30.403(e)(3)(iii), and 30.404(h)(5)).

12. Coordination Threshold Flexibility: The revised FAR Part 30 changes the requirement for when the CFAO must coordinate with affected contractors before negotiating and resolving a cost impact, stating that such coordination must occur when the estimated cost impact “is at least $100K.” This new language is less clear than the prior language, which required coordination when the estimated cost impact "*on any of their contracts* is at least $100K." While these revisions may be an attempt to streamline language in line with the objective of the FAR Overhaul, the changes could significantly increase the coordination requirements. As such, AIA recommends retaining the original language. Additionally, AIA recommends considering increasing the coordination threshold from $100K to $300K to align with other CAS threshold increases and avoid overburdening CFAOs (Citation: original FAR Subpart 30.606(a)(1)).

AIA applauds efforts to streamline, simplify, and modernize the federal procurement process. AIA and its member companies stand ready to partner with the Office of Management and Budget on the FAR Overhaul, and we look forward to reviewing and providing feedback on the revised FAR Parts as the effort progresses.

Thank you in advance for considering our views. Please direct any questions to the undersigned at margaret.boatner@aia-aerospace.org or 703-358-1085.

Sincerely,

Margaret Boatner

Margaret Boatner
Vice President, National Security Policy