
Letter of Comment No: 5
File Reference: 1025-300

-----Original Message-----

From: Eric Bindner [mailto:eric@climateengineering.com]

Sent: Wednesday, April 12, 2006 6:33 PM

To: Director - FASB

Subject: File Reference No. 1025-300

Dear Sir/Madam,

I have a small union HVAC service company in the Denver Colorado market. We are signatory to Pipefitters Local 208, and our pension plan is part of the national UA plan.

In response to the proposal referenced above, I feel it would be a detriment to contractors in several ways. Reporting the over or under funded position of a pension plan on the monthly balance sheet puts an extra burden and cost of doing business on the contractor. To achieve that information for financial reporting requires the use of outside professional services and additional time of our own accounting personnel. Also, the information is not readily available, and would delay financial reporting. We rely on quick financial reporting to properly manage our businesses.

Recording an over funded position on the balance sheet is a bit of a misconception, as we would not be able to collect on that listed asset. So, it doesn't help a contractor by listing it as an asset. However, an under funded position could hurt our position with our insurance and bonding companies, and also with our sources of financing.

Considering that we as individual contractors have no influence on the increase or decrease of the over or under funded position of the pension plan, our financials are at the mercy of a few trustees that control the plan, and the market returns on the plan's investments. In a co managed plan (labor/union) such as ours, there is no incentive for the labor side to assure the plan reduces it's unfunded liability. So the burden rests on the contractor. Having to report the over or under funded position on the balance sheet adds salt to an already sore wound.

If you would like to speak to me about this, please feel free to contact me.

Sincerely,

Eric Bindner
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4/13/2006