



Letter of Comment No: 47

File Reference: 1102-001

Date Received: 1-23-03

CENTRAL PENSION FUND OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS AND PARTICIPATING EMPLOYERS

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January 23, 2003

MP & T Director – File Reference 1102-001  
Financial Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116

Re: File Reference 1102-001

Dear: MP & T Director

On behalf of over 150,000 participants of the Central Pension Fund of the International Union of Operating Engineers and Participating Employers, I am pleased to respond to the Financial Accounting Standards Board invitation for comments on similarities and differences between FASB Statement No. 123 and IASB's proposed IFRS on share-based payments. Our participants have a direct stake in global financial markets, and we encourage any actions by the FASB and the IASB to improve the integrity of the markets through greater disclosure of relevant financial information.

CPF, a member of the Council of Institutional Investors (CII), supports the view that stock options are compensation, have a cost, and that those costs should be included on reported income statements. Valuation assumptions should also be disclosed. We encourage the FASB to propose and adopt rules similar to those proposed by the IASB. We also support the suggestions of CII to improve the proposed rules by providing disclosure of details about the number of shares available for future award under all plans and descriptions of material modifications to existing awards.

We also join the CII in urging the IASB to resist the pressures from groups interested in killing the proposal. Stock option programs have been abused, and proper disclosure will deter further abuse in the future.

CPF thanks the FASB for your work on improving financial reporting standards, efforts that are more critical today than ever before.

If you have any questions, please give me a call.

Sincerely,

  
Michael R. Fanning  
Chief Executive Officer

cc: Sarah A. B. Teslik - CII

