



LETTER OF COMMENT NO. 65



The Andersons, Inc. P.O. Box 119, Maumee, Ohio 43537

May 29, 2006

VIA e-mail to: [director@fasb.org](mailto:director@fasb.org)

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The Andersons, Inc. appreciates the opportunity to comment on the FASB's exposure draft on Employer's Accounting for Defined Benefit Pension and Other Postretirement Plans. The Andersons, Inc. is a diversified company with interests in the grain, ethanol and plant nutrient sectors of U.S. agriculture, as well as in railcar marketing, industrial products formulation, turf products production, and general merchandise retailing. Founded in Maumee, Ohio, in 1947, the company now has operations in seven U.S. states plus rail equipment leasing interests in Canada and Mexico. We have approximately 1,200 full time employees and 1,800 part-time employees. We sponsor a noncontributory defined benefit pension plan, as well as a postretirement plan which provides medical benefits.

We have some concerns with the requirements of the exposure draft. While we understand the rationale for including the over or under-funded status of a defined benefit pension plan on the balance sheet, we believe that the use of the projected benefit obligation ("PBO") is not the appropriate measure of the liability at the date of the balance sheet. The PBO includes assumptions about future salary increases that are not contractually, but market-driven and will vary from year to year. It doesn't represent an amount that can be used to settle a plan in the case of plan freeze or curtailment, which would appear to be the true liability at the balance sheet date. We believe that if any additional liability should be recognized prior to the completion of phase two of the project, it should be the Accumulated Benefit Obligation or ABO which does represent the potential curtailment liability at the date of a balance sheet. We have similar concerns with the use of the accumulated postretirement benefit obligation (APBO) for other postretirement benefit plans as they include a component of future medical trend rates and are not contractual liabilities (could be cancelled or modified at the will of the Company).

We also have some concerns about the need for retroactive restatement and would like to see this as a prospective adoption or at a minimum limited to the two or three years of financial statements presented. The requirement to restate balance sheet and equity information for five or more years may create more confusion on the part of the investor, requires the reopening of multiple closed years in financial reporting systems and is inconsistent with most new accounting standards which allow for prospective adoption.

Finally, we concur with the FASB's proposed effective date for this standard as long as the final standard is issued in advance of the effective date by at least three months. If the final standard changes significantly, additional time may be needed by management, actuaries, trustees and auditors to react to a change. We also appreciate the ability to adopt new standards as of the beginning of a fiscal year.

We appreciate the opportunity to provide our comments to you.

Very truly yours,

/s/ Richard R. George

Richard R. George  
Vice President, Controller and CIO