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Mr. Lawrence Smith
Director TA&I--FSP
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Dear Mr. Smith:

BDO Seidman, LLP is pleased to offer comments on the Proposed FASB Staff Position (FSP), *Determining Whether a One-Time Termination Benefit Offered in Conjunction with an Exit or Disposal Activity Is, In Substance, an Enhancement to an Ongoing Benefit Arrangement Subject to FASB Statement No. 112*.

We do not disagree with the guidance in the Proposed FSP. However, if the Proposed FSP accurately conveys the Board's intent, the Board chose very poor words in FASB Statement No. 146 to communicate that intent.

We believe that the need to issue this proposed FSP reveals that the Board erred in Statement 146 by perpetuating different accounting principles for employee termination benefits in a restructuring. For all other costs discussed in Statement 146, the Board concluded that the conditions for recording a liability in a restructuring are the same as the conditions for recording a liability absent a restructuring. For employee termination benefits, however, the Board perpetuated accounting different from the general accounting for termination benefits in FASB Statement No. 112. Whenever two different accounting methods exist for similar transactions, it becomes necessary to "police" the border. We believe that employee termination benefits desirably should be accounted for the same whether or not the employer is engaged in a restructuring. We recognize that our recommendation is beyond the scope of the Proposed FSP, and this matter does not warrant a separate FASB project. We hope that when the Board next addresses the accounting for postretirement benefits, that it also will address postemployment benefits and specify a unified approach of accounting for termination benefits.



We would be pleased to discuss our comments with the FASB staff. Please direct questions to Ben Neuhausen at 312-616-4661.

Very truly yours,

s/ BDO Seidman, LLP