



May 31, 2006

Director
Financial Accounting Standards Board
PO Box 5116
Norwalk, CT 06856-5116



LETTER OF COMMENT NO. 148

Re: Exposure Draft – Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans

Dear Director:

I am writing to comment on two issues related to the Exposure Draft titled Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans.

Measurement Date (Issue 2 in the Exposure Draft)

We have concerns about the requirements of the exposure draft to use the balance sheet date as the measurement date for plan assets and obligations. While having the measurement date and balance sheet date coincide is theoretically a preferable answer, we do not believe it is practical to require of all calendar year-end companies. In most circumstances the status of pension plan funding would not differ significantly using a measurement date that precedes the balance sheet date by one or two months. By forcing the use of the balance sheet date, the FASB will be causing a compression of the time available for companies to collect necessary data (such as market value of assets), thoughtfully select actuarial assumptions, review the assumptions with the outside auditor, have the actuarial firm perform the valuation and the related quality control procedures and reviews within the actuarial firm, review the report and discuss it with the actuaries, record the results of the actuarial valuation in the company’s books and records, calculate and record the related income tax impacts and prepare related disclosures. Beginning in 2007, the 10-K filing deadline for many public companies such as LP will be 60 days after the balance sheet date.

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This change in measurement date would move even more tasks into the ever-shortening time period between the balance sheet date and the filing deadline for 10-K's.

Another difficulty with this proposed change is the ability of companies to obtain the market value of certain asset classes in a short period of time. Pension assets are not all invested in exchange traded stocks, mutual funds and bonds where market values are available on the measurement date. Market values for other asset classes may not be available until a month or two after the measurement date. One example is real estate investment funds. By forcing the measurement date and balance sheet date to coincide, companies would be forced either to use estimated values for certain investments or wait to complete the actuarial valuation until the market values are available. The latter option could significantly delay the year-end closing process and that is not a realistic option for public companies.

We also wonder whether actuarial firms have the capacity to perform valuations for all publicly traded calendar year-end companies within the first week or two of January. We assume actuarial firms will address this concern in their comment letters, but it seems logical that causing a workload compression of this magnitude could have a negative impact on the quality of the work performed.

Measuring the financial impacts of sponsoring pension plans is not subject to a high degree of precision. There are many estimates involved in calculating amounts associated with these plans. *If the numbers were precise, we could understand the benefit of requiring the measurement date and balance sheet date to coincide.* Since pensions are based on numerous estimates and assumptions, we do not believe the level of precision is increased significantly by requiring the measurement date to coincide with the balance sheet date.

We believe that continuing to allow companies to select a measurement date that precedes the balance sheet date by 30 to 60 days is a reasonable alternative to the current language in the Exposure Draft. We do not believe that there is a significant impact on the usefulness of financial information of using an earlier measurement date. We also believe there are significant benefits from a practical standpoint of companies being able to complete much of the work involved in preparing actuarial estimates prior to a company's year-end.

Use of Projected Benefit Obligation

We do not believe that the use of the Projected Benefit Obligation (PBO) to measure over- or under-funding of employee benefit plans is preferable to using the Accumulated Benefit Obligation (ABO). While this Exposure Draft is not a "fair value" based proposal, the use of the ABO would be more similar to a fair value measurement because it is based on the benefits accumulated to date while the PBO includes benefits that will be earned in the future. The use of the ABO would also be more consistent with the concept of using a discount rate equivalent to rates at which liabilities could effectively be settled on the measurement date. It seems very inconsistent to us to require the use of discount rates as though the liability was being settled on the measurement date but require companies to record an additional liability on that same measurement date for benefits expected to be *earned in the future*.

We appreciate the opportunity to comment on this Exposure Draft.

Sincerely,



Russell S. Pattee
Corporate Controller
Louisiana-Pacific Corporation