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_nt: Wednesday, May 31, 2006 3:56 PM

To: Director - FASB

Subject: File Reference No. 1025-300



LETTER OF COMMENT NO. 155

Dear Director:

S&C Electric Company ("S&C") appreciates the opportunity to comment on the recent exposure draft titled "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans." S&C is a Chicago based manufacturing company specializing in Electric Power Switching and Protection Products and Services. S&C's defined benefit pension plan dates back to 1943 and while we support the FASB's goal of improving financial reporting for these plans, we also have significant concerns with two aspects of the proposed changes.

First, we strongly recommend that the FASB allow plan sponsors to use the Accumulated Benefit Obligation ("ABO") to measure a pension plan's liabilities as opposed to the Projected Benefit Obligation ("PBO"). Plan liabilities shown on a balance sheet should represent the company's actual current obligation as of the date of that balance sheet. At any point in time the ABO is the more relevant measure of plan liabilities as it represents the actuarial present value of plan benefits for service rendered to that date and would be the measurement used if a plan were terminated or frozen at that time. In contrast, the PBO includes estimates of future salary increases and retirement dates, making this not only an estimated but also future obligation.

Second, we believe the FASB should retain the current provision which permits a company to use a measurement date up to three months earlier than the balance sheet date, based on practical considerations. Requiring valuations as of the balance sheet date would in many instances place a significant burden on plan trustees and actuaries to compile the necessary information and documentation for companies to analyze and review before incorporating this information into the company's financial statements. This in addition to allowing time for the company's auditors to audit the information. Such a compressed time frame may lead to retent errors and/or omissions.

Thank you again for allowing S&C this opportunity and for giving our comments your consideration.

Sincerely,

Michael W. Moses Financial Services Director And Plan Trustee

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