



LETTER OF COMMENT NO. 161

-----Original Message-----

From: Director - FASB
Sent: Wednesday, May 31, 2006 11:22 AM
To: Patricia Lapolla
Subject: FW: File Reference No. 1025-300

-----Original Message-----

From: Ginger Guinee [mailto:GingerG@btbautoparts.com]
Sent: Wednesday, May 31, 2006 11:17 AM
To: Director - FASB
Cc: Fletcher Lord; Bill Schlatterer
Subject: File Reference No. 1025-300

We are a privately held corporation that deals in aftermarket auto parts on the wholesale and retail level. We have approximately 1,100 employees in the Arkansas, Texas, Louisiana, Oklahoma, Missouri and Mississippi area. We have had a defined benefit plan for many years and feel it has been an excellent employee benefit. We also have a Retiree Postretirement Health Plan for our employees. I am the Director of Finance and have been with the company seven years.

I understand the need for transparent accounting and reporting but we have several issues with amending SFAS Nos. 87, 88, 106, and 123R.

The implementation costs of the proposed standard will be significant for us. We feel the effective date at minimum should be a least six months after publication of the final standard. That would give us time to freeze our defined benefit plan, or make other changes we feel necessary.

Switching the pension liability measure from the ABO to PBO should not be used to determine the required balance sheet recognition. This will only discourage the continuation of defined benefit plans. The ABO - the present value of benefits earned by our current and former employees as of the measurement date, we feel is the appropriate market-value measure of pension liabilities. The PBO includes amounts related to future salary increases that are not yet liabilities of the company as defined in Concept Statement 6. By using the PBO, different companies' balance sheet liabilities for identical participants with identical accrued benefits will vary according to whether the pension plan is frozen, flat dollar, career pay or final, which does not seem logical.

Concerning retrospective application of the defined benefit plan, our practice is to show a two year history of key financial results. Our accountants have suggested it will cost several thousand dollars to revise comparative key financial statements. To minimize the implementation cost, again, the effective date should be at least six months after publication of the final standard.

Similar to the PBO for pension plans, the APBO for post retirement benefits may be appropriate for long-term budgeting or expense, but it is not a market value of liabilities. Because other post retirement benefit plans can be unilaterally reduced or eliminated, APBO does not meet the definition of a liability under Concept Statement 6. Including the entire APBO for other post retirement plans on the balance sheet overstates company's liabilities.

We believe the appropriate OPRB balance sheet measurement should consist of the present value of future benefits that are vested and has a substantive commitment to provide benefits in the coming year. This would be appropriate since our practice is to announce any benefit cutbacks the year before they would take effect. The balance sheet should also consist of widow retirees' medical benefits through age 65.

We appreciate your consideration of these comments. Please call me (501)377-7205 if I can provide any additional clarification or assistance.

Ginger Guinee, CPA
Director of Finance

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