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LETTER OF COMMENT NO. 178

May 31, 2006

Ms. Susan Bielstein
Director of Major Projects and Technical Activities
Financial Accounting Standards Board
401 Merritt 7, P.O. Box 5116
Norwalk, CT 06856-5116

RE: File Reference No. 1025-300
Proposed Statement of Financial Accounting Standards
Employers' Accounting for Defined Benefit Pension and Other
Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106
and 132 (R) (Exposure Draft dated March 31, 2006)

Dear Ms. Bielstein:

Ecolab Inc. appreciates the opportunity to comment on the recent exposure draft on proposed amendments to accounting for defined benefit pension and other postretirement plans. Ecolab is a publicly-traded company that develops and markets premium products and services for the hospitality, foodservice, healthcare and industrial markets while employing more than 22,000 associates worldwide.

We are concerned that the proposed changes in pension and postretirement plan reporting would have the unintended consequence of reducing both the transparency and usefulness of financial reporting. If the amendments proposed in the current exposure draft are adopted, the result would be significant volatility in reported equity, making it more difficult for shareholders, lenders, and other financial statement users to understand and rely on widely accepted balance sheet, capitalization, and investment return metrics. Even for a company like Ecolab, with a well funded pension plan, a 50 basis point change in the discount rate would result in a \$100 million change in reported equity. If the principles incorporated in the current exposure draft (Phase One) were subsequently extended to the determination and presentation of net income, this would additionally make it very difficult for financial statement users to understand profitability trends in the underlying business. At risk is reduced transparency and increased volatility in our capital markets.

Therefore, we urge the FASB to reconsider the current exposure draft and complete a comprehensive review of existing pension and postretirement benefit accounting standards (both from a balance sheet and income statement perspective) with a keen focus on improving both the transparency and usefulness of financial statements in understanding business performance. In addition to the overall concerns expressed above, we wish to provide the following specific comments on the exposure draft.

Measurement of Pension Liability: The proposed guidance would result in a company recording its pension asset or liability based on the difference between the fair value of a plan's assets (at a point in time) and the plan's projected benefit obligation (PBO). However, the PBO calculation includes future estimated salary increases so it is not a true reflection of a company's current pension obligation. Future "discretionary" salary increases are not considered liabilities under the U.S. GAAP conceptual framework so it would be inappropriate to incorporate them into any recorded obligation. Alternatively, the accumulated benefit obligation (ABO) employs a similar calculation as the PBO yet excludes future salary increases in its determination. We believe utilizing the ABO for the company's pension obligation is more representative of a company's current obligation for benefits earned by its employees and should be the basis for reporting.

Early Measurement Date: The complexity of pension and postretirement obligations requires significant lead-time and third-party expertise to accurately measure both pension obligations and the underlying assets. Eliminating the early measurement date election will make it very difficult for companies, especially those with multiple plans in many countries, and their actuaries to provide complete and accurate results. Our concern is that such requirements could result in errors, a wider use of estimates, and possible delays in filing. We believe it would be more appropriate to retain the early measurement election (up to three months) to ensure that companies are able to provide accurate information in their financial statements. As long as companies remain consistent with their measurement date and continue with the disclosure requirements, we do not see any practical reason to eliminate this provision.

We appreciate your consideration of these comments. If you have any questions or would like additional clarification, please contact us.

Sincerely,



Steven L. Fritze
Executive Vice President and
Chief Financial Officer



Daniel J. Schmechel
Senior Vice President and
Controller