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LETTER OF COMMENT NO. 6

Russ,

I would like to express my support for the proposed staff position FSP No. 132(R)-a, "Employers' Disclosures about Postretirement Benefit Plan Assets." As an investor and analyst who focuses on accounting issues, I believe the incremental disclosures required by the proposal would benefit my fellow investors of all types - whether they are fixed income investors or equity investors. I have recently completed a study of the pension and other postemployment benefit plans of the S&P 500. As our team reviewed the current batch of disclosures, we became convinced that this proposal would greatly aid investors in assessing the risks they bear as a consequence of management decisions regarding benefit plan asset allocations. The consequences of poor investment selection by management are borne by investors: the relationship between promises made to workers and the investment process in the benefit plans creates a possibility of increased plan contributions, or worse, responsibility the benefit payments. Therefore, investors want to understand risks related to plan assets.

As an example of why disclosures need improvement, I have attached an exhibit which is a table from our report. It shows 68 companies that presented disclosures about "other" holdings in excess of 10% of total US pension plan assets. Considerable risks may or may not be present in those holdings: they might contain significant amounts of securities that are completely illiquid and their fair value is only a "Level 3" estimate; they might as easily contain securities that are rock-solid and gilt-edged. One cannot tell from the existing disclosures if there is a lady or a tiger behind the door.

I also believe that this proposal would improve the understandability of corporate balance sheets, in that it provides more consistent application of fair value reporting to the balance sheet as a whole. Statement 158 put benefit plan net assets or net obligations on the balance sheet, yet investors aren't treated to the same kind of information about the composition of underlying assets as they receive for say, available-for-sale securities.

In my experience, investors have been grateful for the Statement 157 fair value disclosure framework. I expect they will be equally grateful to see it applied to benefit plan assets.

I would like to address the specific questions asked in the proposal:

**1. Is the principle of disclosing categories by type of plan asset understandable?**

Yes, it should be understandable to users of financial statements. Particularly useful: the disclosure categories related to asset-backed securities and derivatives. There is a singular scarcity of disclosures surrounding these instruments in current reporting, and these instruments could have enormous effects on benefit plan performance - especially asset-backed securities, during the past year.

**2. Are the asset categories that must be disclosed, if significant, representative of the types of assets held in postretirement benefit plans? Should any other categories be added?**

The categories suggested seem adequate.

**3. Is the requirement to disclose concentrations of risk arising within or across categories of plan assets from a lack of diversification understandable, and is this information useful? Would another disclosure principle be better?**

The concentration requirement is completely understandable by users and useful to them in assessing risks. It would be difficult to believe that preparers could not understand the requirement as well, as they are the ones taking the concentration risk in the first place.

**4. Would the disclosures about fair value measurements of plan assets provide decision-useful information?**

Yes, the fair value disclosures would be decision-useful information for investors. They would allow users to assess 1) the veracity and integrity of the reporting, 2) the potential for liquidity issues within the benefit plan and 3) the likelihood that investment decisions might lead to increased future sponsor contributions that might affect the sponsor's own liquidity.

**5. Would any of the required disclosures impose excessive incremental costs? If so, please describe the nature and extent of the additional costs.**

There will be firms that probably already have the required information available to make such disclosures; there will probably be firms that will have to scramble to assemble it. While I can't say which kind of firm prevails, I believe that the "scrambler" firms might learn a few things about their own benefit plans by gathering such information. That could provide them with benefits in excess of any incremental costs.

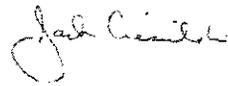
**6. Is the time needed to compile the information required to support annual reporting disclosures sufficient given the proposed effective date for fiscal years ending after December 15, 2008? If not, please describe the nature and extent of the effort required and the time needed.**

I believe that the disclosures could be completed by most firms by the effective date, though I am sure that the firms that have difficulty meeting that deadline will inform you.

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Those are all of my comments. If you have any questions, please don't hesitate to contact me. Best regards.

Sincerely,



Jack Ciesielski

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**Exhibit: Other Assets, Allocations In US Pension Plans**

|                                      |        |  |                                 |       |  |
|--------------------------------------|--------|--|---------------------------------|-------|--|
| <b>BJ Services</b>                   | 100.0% | Insurance contract that will be used to fund the benefits and settle the U.S. plan   | <b>Leggett &amp; Platt</b>      | 15.0% | Other, including cash  |
| <b>Zions Bancorp</b>                 | 66.0%  | Guaranteed deposit account and insurance company separate accounts - equity investments  | <b>Corning</b>                  | 15.0% | Other  |
| <b>Loews</b>                         | 47.4%  | Limited partnerships, commingled funds, short-term investments, and other  | <b>Pfizer</b>                   | 15.0% | Private equity, venture capital, private debt, real estate, and cash   |
| <b>Constellation Brands</b>          | 38.2%  | Other  | <b>Reynolds American Inc</b>    | 15.0% | Opportunistic and alternative strategies                               |
| <b>SLM</b>                           | 38.0%  | Cash equivalents   | <b>XCEL Energy</b>              | 14.0% | Cash and nontraditional investments                                    |
| <b>Citigroup</b>                     | 35.0%  | Other  | <b>American Int'l. Group</b>    | 14.0% | Cash, insurance contracts, real estate, private equity and hedge funds |
| <b>Vornado Realty</b>                | 33.0%  | Money market funds   | <b>Hess Corporation</b>         | 14.0% | Other  |
| <b>Valero Energy</b>                 | 33.0%  | Mutual funds, money market funds, and insurance contracts  | <b>Goldman Sachs</b>            | 14.0% | Other  |
| <b>Precision Castparts</b>           | 31.0%  | Cash and other   | <b>Omnicom Group</b>            | 14.0% | Other  |
| <b>Autozone</b>                      | 30.3%  | Alternative investments, cash and cash equivalents   | <b>General Motors</b>           | 13.0% | Other  |
| <b>Target</b>                        | 27.0%  | Private equity, mezzanine and distressed debt, a balanced portfolio of global equities and global fixed income securities, timber-related assets, and a 5% allocation to real estate | <b>BB&amp;T Corp.</b>           | 13.0% | Alternative investments, cash equivalents                              |
| <b>Eastman Kodak</b>                 | 26.0%  | Private equity, venture capital, cash and other investments  | <b>Ball</b>                     | 13.0% | Alternative investments, cash and cash equivalents                     |
| <b>Medtronic</b>                     | 25.0%  | Other  | <b>Thermo Fisher Scientific</b> | 13.0% | Insurance policies, cash, and other                                    |
| <b>Intel</b>                         | 25.0%  | Other  | <b>Darden Restaurants</b>       | 12.0% | Real assets  |
| <b>Safeco</b>                        | 23.3%  | Cash, cash equivalents, and other  | <b>Northrop Grumman</b>         | 12.0% | Other  |
| <b>Sara Lee</b>                      | 22.0%  | Cash and other   | <b>DTE Energy Company</b>       | 12.0% | Other  |
| <b>Hercules</b>                      | 22.0%  | Alternative strategies   | <b>Citizens Communications</b>  | 11.0% | Alternative investments, cash and other                                |
| <b>Masco</b>                         | 21.0%  | Other  | <b>Coca-Cola Enterprises</b>    | 11.0% | Investments in hedge funds, private equity funds, and timber funds     |
| <b>Dow Chemical</b>                  | 21.0%  | Alternative investments  | <b>National City</b>            | 11.0% | Cash and cash equivalents  |
| <b>Vulcan Materials</b>              | 20.0%  | Investments in venture capital, buyout funds, mezzanine debt private partnerships, an interest in commodity index fund, and cash reserves  | <b>Pall</b>                     | 11.0% | Other  |
| <b>Lauder Estee</b>                  | 20.0%  | Other  | <b>Regions Financial</b>        | 11.0% | Other  |
| <b>Deere</b>                         | 19.0%  | Other  | <b>UNM Group</b>                | 11.0% | Other  |
| <b>Dominion Resources</b>            | 18.0%  | Other  | <b>McKesson HBOC</b>            | 11.0% | Other  |
| <b>American Express</b>              | 18.0%  | Cash   | <b>Equifax</b>                  | 10.9% | Real assets and cash   |
| <b>JPMorgan Chase &amp; Co</b>       | 18.0%  | Alternatives   | <b>Washington Mutual</b>        | 10.0% | Alternative investments  |
| <b>MetLife</b>                       | 18.0%  | Real estate and alternative investments  | <b>Tiffany &amp; Co.</b>        | 10.0% | Other  |
| <b>Disney</b>                        | 18.0%  | Alternative investments and cash   | <b>Prudential Financial</b>     | 10.0% | Short-term investments and other                                       |
| <b>Interpublic</b>                   | 17.0%  | Other  | <b>Du Pont</b>                  | 10.0% | Private equity and private debt  |
| <b>Int' Flavors &amp; Fragrances</b> | 17.0%  | Other  | <b>Raytheon</b>                 | 10.0% | Other  |
| <b>Verizon</b>                       | 17.0%  | Other  | <b>CMS Energy</b>               | 10.0% | Alternative strategy   |
| <b>National Semiconductor</b>        | 16.0%  | Other  | <b>Embarq</b>                   | 10.0% | Other  |
| <b>Hasbro</b>                        | 16.0%  | Total return fund  | <b>Wyeth</b>                    | 10.0% | Alternative investments  |
| <b>Applera</b>                       | 16.0%  | Cash   | <b>FPL Group</b>                | 10.0% | Convertible bonds  |
| <b>Fluor</b>                         | 16.0%  | Other  | <b>Progress Energy</b>          | 10.0% | Other  |