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VIA e-mail to: director@fasb.org

Financial Accounting Standards Board Technical Director 401 Merritt 7 P.O. Box 5116 Norwalk, Connecticut 06856-5116

File Reference: Proposed FSP FAS 132(R)-a

FedEx Corporation has reviewed the proposed FASB Staff Position (FSP) 132(R)-a, Employers' Disclosures about Postretirement Benefit Plan Assets issued March 2008, and we submit this letter of comments on the proposed FSP.

We support the Financial Accounting Standards Board (FASB) in its objective to develop accounting principles that enhance the transparency and relevance of financial statements. While we believe that this proposed FSP is an incremental improvement, we think the proposed FSP is incomplete and there are significant practice issues with implementing the proposed disclosure requirements of the FSP. Therefore, we do not believe the users of financial statements will ultimately benefit from the application of this FSP as proposed.

The following points present our comments and observations for the proposed FSP.

FSP Comment 1: Disclosure framework is incomplete

The proposal in the FSP continues to be a piecemeal approach to addressing pension accounting and disclosure issues and we do not believe that this process is beneficial to financial statement users. We objected to the FASB's decision to define the projected benefit obligations (PBO) as a liability and require the net funded status of the PBO to be reflected on the balance sheet. However, since that is now a requirement, users of financial statements are focused on the net funded status of the benefit obligation and charges therein. The approach outlined in the FSP falls short of harmonizing these disclosures with the fair value concepts outlined in Statement of

Financial Accounting Standards No. ("SFAS") 157, "Fair Value Measurements," which addresses the fair value measures of assets and liabilities. We question whether a disclosure framework focusing solely on plan assets without consideration to plan liabilities enhances transparency or leaves the reader with an incomplete understanding of the funded status.

For example, companies employ an array of strategies in managing their postretirement plans, which are typically a function of the nature of the benefit arrangement and the composition of a company's work force. While one company may aim to maximize asset returns, another company may seek to reduce volatility through a liability-driven investment strategy where plan assets hedge plan liability risks. Therefore we believe disclosures around both plan assets and plan liabilities and their inter-related concentrations of risks are integral to understanding the funded status recorded in the balance sheet. Since the FSP fails to integrate the relationship between plan assets and plan liabilities, complete transparency is ultimately not accomplished. Thus, we encourage the FASB to consider a more comprehensive disclosure approach that requires consideration of the funded-status concept.

FSP Comment 2: Disclosure framework is impractical

We believe the burden of enhanced disclosures surrounding plan assets and the requirement to measure this information at year end makes it impractical to achieve the requirement to measure and report this information within the timeframe required for accelerated public company filers. To complete the proposed disclosures, a company must gather the information from the provider, evaluate it, and coordinate an audit before management certifies the information to meet accelerated filing requirements. We anticipate the challenging disclosure areas to be real estate, private equity, derivative instruments that are not actively traded and other level 3 investments that are likely to require input from valuation specialists. Additionally, private equity funds typically do not perform monthly valuations, presenting additional obstacles to companies whose fiscal year ends do not coincide with calendar or conventional quarter end dates.

As an alternative solution to allow adequate time for preparing disclosures that meet accelerated filing requirements, we recommend a provision in the FSP that allows companies flexibility to use professional judgment in determining information measured as of an earlier date (e.g., information dated within 90 days of year end). The time afforded by the 90 days is essential to accurately accumulate and review disclosures and ensure quality reporting. If the FASB cannot accept such a compromise, we urge the Board to defer the effective date of the requirement to allow companies, investment managers and auditors sufficient time to work through the practical timing issues of obtaining this information.

FSP Comment 3: Increased use of judgment

As drafted, the proposals outlined in the FSP will require significant use of management judgment in determining asset categories and concentrations of risk. Prime areas for exercising professional judgment related to the FSP include materiality thresholds, asset classifications and decisions around disclosing information in the aggregate or on a plan by plan basis. We support the principles-based accounting approach that allows preparers to make subjective decisions such as defining and classifying "significant" asset categories and concentrations of risk and would not seek additional clarification in the FSP. However, we are not convinced that the FASB has fully vetted this issue and obtained the support required from the SEC for widespread use of such an approach. We suggest that prior to issuance of this FSP the FASB and SEC develop a position on professional judgments made diligently and in good faith.

Finally, we recommend the FASB continue to solicit input from analysts, investors and preparers about the specific disclosure information that would enhance transparency and understandability of this complex area. The proposed FSP provides only incremental disclosure information, so we encourage the FASB to develop a comprehensive solution before forcing companies into an expensive, incomplete, impractical solution.

We appreciate the opportunity to comment on these proposed rule changes and thank you for your consideration of our comments.

Sincerely,

John L. Merino
Corporate Vice President

and Principal Accounting Officer

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