



LETTER OF COMMENT NO. 42

May 7, 2008

Mr. Russell G. Golden  
Director of Technical Application and Implementation Activities  
FASB  
401 Merritt 7  
PO Box 5116  
Norwalk, CT 06856-5116

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

Dear Mr. Golden:

We appreciate the opportunity to comment on the Proposed FASB Staff Position No. FAS 132(R)-a, *Employers' Disclosures about Postretirement Benefit Plan Assets* (the "Proposed FSP"). Bank of America Corporation, one of the world's largest financial institutions, provides a diverse range of financial services and products throughout the United States and in selected international markets. We sponsor noncontributory trustee qualified pension plans that cover substantially all officers and employees, a number of noncontributory nonqualified pension plans, and postretirement health and life plans.

We support the FASB's objective to improve disclosures about postretirement benefit plan assets. However, we do not believe the fair value measurement disclosures in the Proposed FSP will provide any additional meaningful information to the users of the financial statements. The proposed disclosures will merely increase the volume of disclosures within the plan sponsor's financial statements and be costly to accumulate and update, without providing any true benefit to the users.

Within a company's/plan sponsor's financial statements, we question the usefulness of disclosures about the levels of fair value measurements, as well as the Level 3 reconciliation prescribed by the Proposed FSP. GAAP currently provides the accounting for the recognition of net periodic benefit cost/income. One component of this amount is based upon the long-term return on plan assets. In this regard, it does not seem that a user of financial statements would be as concerned with whether a plan asset is considered a Level 1, 2 or 3 asset, but instead with whether the overall long-term performance of plan assets meets their investment objectives and their corresponding impact on the income statement of the plan sponsor. To this point, we note that the changes in fair value of plan

assets do not immediately impact the sponsor's income statement, but instead, are recorded into income over time consistent with the sponsor's current accounting policy as prescribed by GAAP.

Furthermore, as part of Phase 2, the FASB has indicated that it will comprehensively reconsider employers' accounting for pensions and other postretirement benefits to improve the quality of the information provided and that this phase will focus principally on presentation of postretirement benefit assets, benefit liabilities, the cost of providing postretirement benefits, and disclosure. In this regard, Phase 2 would seem to be the best forum to address the need and benefit of Level 1, 2, and 3 disclosures. In addition, the Proposed FSP approaches disclosures only from the asset side. Users of financial statements would want to consider the expected behavior of plan assets and the benefit obligation together. For example, two companies with an asset allocation of 5% of their own stock may be viewed equally by the users of financial statements as having a concentration in the plan sponsor's stock without regard for the liability exposure. Now consider that one company may be perfectly match funded, whereby its assets and liabilities for this 5% allocation are offset and thus, there is no real exposure to the company's stock. The other company is not match funded, and therefore it has true exposure to the performance of the stock in its benefit obligation.

Ultimately, we believe the current disclosure requirements could be enhanced by providing further disaggregation of plan assets based on the investment strategies of the plan sponsor. This would provide better information about asset allocation risks and a more representative view of how plan assets are managed by the company. In this regard, we do not believe that disaggregating plan assets based on a predetermined list of categories necessarily will provide users with better information than the categories used by many companies today.

If the FASB chooses to require Level 1, 2, and 3 asset disclosures within a company's financial statements, we believe the effective date should be delayed by one year. It will take time to properly accumulate this information from across the large number of plan assets, including working with numerous asset managers to corroborate which assets should fall within the Level 3 classification.

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We appreciate the opportunity to express our views in this letter. Should you have questions, please feel free to contact Randall Shearer at 980-388-8433 or me at 980-387-4997.

Sincerely,

/s/ John M. James

John M. James  
Senior Vice President  
Corporate Controller

cc: Neil A. Cotty, Chief Accounting Officer  
Randall J. Shearer, Accounting Policy Executive