

## 7915 Xavier Court Dallas, Texas 75218-4513

May 2, 2008

Mr. Russell G. Golden
Director of Technical Application and Implementation Activities
Financial Accounting Standards Board
401 Merritt 7
P. O. Box 5116
Norwalk, CT 06856-5116

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

Dear Mr. Golden:

I am writing to provide my comments on proposed FSP FAS 132(R)-a, *Employers' Disclosures About Postretirement Benefit Plan Assets* (the "proposed FSP").

- The paragraph 6 and 9(a) requirements of the proposed FSP to provide enhanced disclosures regarding the composition of plan assets and how the fair value of those plan assets are determined are reasonable, provide useful information and should not result in significant incremental cost to comply. However, the proposed FSP should be modified to clarify that plan sponsors are not required to "look through" asset categories such as hedge funds, private equity funds, venture capital funds and similar investments and categorize the underlying assets in those types of investments, particularly when the sponsors of such investments deem such information proprietary.
- The paragraph 7 requirement of the proposed FSP to disclose the nature and amount of concentration of risk associated with plan assets is vague and not understandable and should be removed. Given that the composition of plan assets are subject to extensive regulation (e.g. ERISA in the United States) which, among other things, generally require plan fiduciaries to diversify plan assets so as to minimize the risk of large loss, the paragraph 7 requirement would not provide meaningful or useful information. The existing qualitative disclosure required by paragraph 5(d)(2) of SFAS No. 132(R), combined with

- the enhanced disclosure requirements of the proposed FSP, provides sufficient information regarding plan asset concentrations.
- The paragraph 9(b) requirement of the proposed FSP to provide a reconciliation of changes in the fair value of Level 3 plan assets would not provide useful or meaningful information and should be removed. Plan assets are managed to provide an acceptable long-term, not shortterm, return so as to generate funds sufficient to cover the payout of the long-term liability associated with the plan's aggregate benefit obligation. Providing a detailed year-by-year (i.e. short-term) analysis of the changes in the value of the Level 3 plan assets is inconsistent with the long-term nature of such assets. In addition, the time and effort to compile this information would result in significant cost with little incremental benefit. In many instances, compiling information in a timely manner would be challenging, particularly for plans maintained outside the United States which would likely not be used to providing such detailed information in the required timeframe. The year-by-year comparison of plan assets required by paragraphs 6 and 9(a) of the proposed FSP provide sufficient information regarding the amount of Level 3 plan assets.
- The required effective date of fiscal years ending after December 31, 2008 does not provide a sufficient amount of time for implementation; one additional year should be provided. Particularly with plans maintained outside the United States, a great deal of time must be spent to educate plan fiduciaries on the requirements of the proposed FSP, and the fair value hierarchy of SFAS No. 157. In addition, if the requirements of paragraph 9(b) of the proposed FSP are retained, then paragraph 11 should be modified to clarify that the disclosure requirements of paragraph 9(b) are not applicable until fiscal years ending after December 31, 2009 (i.e. the second year of application of the proposed FSP).

Thank you for consideration of my comments.

Regards,

Greg Swalwell