



October 14, 2010

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

Re: File Reference No.: 1860-100
Proposed Disclosure of Potential Withdrawal Liability

Dear Sir or Madam:

Employees of the National Fire Sprinkler Association's contractor members install automatic fire sprinkler systems in commercial and residential buildings across the United States. Many of our contractors' employees are union members, covered by collective bargaining agreements negotiated by NFSA with various local unions composed of journeyman and apprentice sprinkler fitters. These contractors contribute to a multi-employer pension plan on behalf of their bargaining unit employees. Some pay into multiple pension plans.

Like virtually all contributors to multi-employer pension plans in the construction industry, they are faced with the possibility, however remote, of incurring withdrawal liability. This potential, but unlikely, burden was not caused by them and it has nothing whatsoever to do with the intrinsic financial soundness of these companies. It has, instead, everything to do with the failure – so far – of the pension fund's investments to recover fully from staggering losses at the outset of the recession. Moreover, the unique withdrawal liability rules that apply to the construction industry generally give employers the ability to control whether withdrawal liability will be triggered, and sometimes to avoid it completely. Accordingly, most construction industry employers will never incur withdrawal liability.


NFSA is utterly opposed to FASB's proposal that a mere remote chance of incurring withdrawal liability at some undetermined point in a future should be reported in a corporation's financial statements. However well-intentioned the proposal may be, its acceptance by FASB would have an unnecessarily harsh impact on fire protection contractors represented by NFSA and, no doubt, on thousands of other employers.

For example, the proposal could make it more difficult for contractors in the unionized segment of our industry, which accounts for roughly half of all fire sprinklers installed in the United States, to obtain credit because creditors are unlikely to understand the nuances of withdrawal liability, including how it is triggered and how it can be avoided. Our contractors would be mandated to obtain pension fund financial information that, I am advised, pension funds would not be required to provide. In fact, the proposal would increase employer overhead to comply

with new disclosure requirements that have little relevance to, and will not be understood by, those who read a corporation's financial statements. Moreover, the proposal would unfairly punish employers for participating in multi-employer pension plans while, in effect, rewarding those that do not.

I urge you and FASB in the strongest possible terms to reconsider and, ultimately, to withdraw this proposal.

Very truly yours,

A handwritten signature in black ink, appearing to read "John A. Viniello". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

John A. Viniello
President

JAV/df