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October 26, 2010

Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Reference: File Reference No: 1860-100

Dear Sir/Madam:

United Technologies Corporation (UTC) understands the importance of meaningful, transparent disclosure and welcomes the opportunity to share its views on the Financial Accounting Standards Board (FASB) proposed Accounting Standards Update "Compensation – Retirement Benefits – Multiemployer Plans (Subtopic 715-80)." UTC is a \$53 billion global provider of high technology products and services to building systems and aerospace industries with over 200,000 employees in over 4,000 locations in more than 180 countries. We participate in numerous multiemployer benefit plans both domestic and foreign and therefore would be directly impacted by the proposed guidance.

UTC has been working to assess the impact and collect and analyze the appropriate information in advance of the effective date. In doing so we have identified certain points of considerable concern including:

- Effective date for fiscal periods ending after December 15, 2010,
- Requirement to disclose an estimate of our withdrawal liability for each material plan or group of plans; and,
- Availability and timeliness of the required disclosure information from third party providers.

Our primary concern regards the effective date for fiscal periods ending after December 15, 2010. Given the exposure draft was released September 1, 2010, with comment letters requested by November 1, 2010 and the proposed guidance being effective for calendar year-end reporting, it does not leave an adequate amount of time for companies to work with third party providers to ensure the appropriate information is collected and analyzed in advance of the effective date. This is especially prevalent for companies such as UTC that are highly complex and contribute to a large number of multiemployer plans both domestic and foreign, and is unreasonable given the fact that the final Update will not be issued until after November 1, 2010. Even without taking into account the requirement to implement these changes by December 31, 2010 for calendar year entities such as UTC, the implementation of the additional disclosure requirements are administratively burdensome, costly, and require the coordination with numerous third party providers on whom we will substantially rely upon to provide the needed information. If the FASB decides to progress forward with the Update following its review and analysis of the comment letters received, UTC urges the FASB to defer the effective date for at least one year to allow sufficiently reasonable time to accurately and effectively collect the required disclosure items.

The Update requires a company to present its withdrawal liability, regardless, and with no consideration, of a company's intent to withdraw. Under current accounting guidance, a provision would not be recognized under Topic 450 - Contingencies, unless it is either probable or reasonably possible that the company would exit the plan, in which case a company would undertake an assessment of the withdrawal liability and determine with greater precision the related obligation. Additionally, requiring companies to disclose the potential monetary ramifications if other companies participating in a plan withdraw will result in speculation of future contribution trends and the estimation of the impact of decisions made by other companies, for which we have no insight or influence. Presenting potential obligations for circumstances and events that are either improbable or remote is misleading and only succeeds in presenting a worst-case-scenario and potentially alarming users of the financial statements.

As recognized in the exposure draft, much of this information may not be obtainable and, if available, Substantially all of the data requirements may not be reflective of the current period reporting date. are dependent upon information provided from each plan's trustees and third party providers. While such data is required to be provided by U.S. plans at the request of a participating company under the Pension Protection Act of 2006 (PPA), no such requirement or law exists for foreign plans which are also included within the scope of this proposal. Without such a requirement, we have significant concern as to the ability to obtain this information from foreign third party providers. For domestic multiemployer plans subject to the PPA, requests for the plan's actuarial report are to be responded to within 30 days after the request and requests for notice of potential withdrawal liability are to be responded to within 180 days after the request. The PPA also states that an employer is not entitled to make these requests more than once in any one 12-month period. Given that calendar year-end public companies issue financial statements within the first two months, these added disclosures would almost certainly result in information being reported as of the previous year. We feel strongly that the difference in the availability of information provided compared to the current reporting year will cause inconsistencies and will be misleading to the users of the financial statements.

We also believe the proposed disclosure, as it is currently written, would not be meaningful or provide more transparency and would be potentially confusing for our current investors and the investing public. Finally, the proposed disclosure requirements would also impose a significant administrative burden, without sufficient perceived commensurate benefit to investors.

We would be happy to further discuss our view on this proposal with the FASB members or its staff.

Sincerely,

John E. Stantial

Interim Vice President, Controller United Technologies Corporation

¹ Section 502 of the Pension Protection Act of 2006

ATTACHMENT

Question 1: Do you agree that the proposed quantitative and qualitative disclosures will result in a more useful and transparent disclosure of an employer's obligations arising from its participation in a multiemployer plan? Why or why not? If not, what changes would you suggest to the proposed amendments?

We agree that some of the proposed quantitative and qualitative disclosures would result in more useful and transparent disclosure of an employer's obligation arising from its participation in a multiemployer plan. We are supportive of generally providing enhanced disclosure of multiemployer plans and believe a description of the contractual agreement and funded status could be beneficial to users of the financial statements. However, as this information is not likely to be available in time to meet the public company filing requirements, it will likely have to be presented a year in arrears which questions the usefulness of the information presented given that it is not reflective of the current status.

While we are supportive of providing our investors with more transparent and useful information, we disagree with the proposed disclosure of our potential withdrawal liability. Current reporting guidance requires companies to disclose the amount of annual contributions to multiemployer plans, which provides a representative indication of the relative size of the plans in which companies are participating. Additionally, an employer's obligation would be required to be recognized under existing Topic 450 – *Contingencies*. Presentation of this information, even when withdrawal is not at least reasonably possible, is premature and could be misleading to investors and users of the financial statements as opposed to being more useful and transparent.

Question 2: Do you believe that disclosing the estimated amount of the withdrawal liability, even when withdrawal is not at least reasonably possible, will provide users of financial statements with decision-useful information? Why or why not?

We do not believe that the obligations resulting from a potential withdrawal from a multiemployer plan should be disclosed as per the proposed update. Such contingencies are already subject to, and would be appropriately recorded under, Topic 450 – Contingencies of existing guidance. As mentioned above, there are a variety of circumstances that can impact the calculation of the unfunded obligation. These are entirely dependent upon information provided from the plan's trustees, the timing and availability of which will likely result in information being presented that is stale and dated (i.e., at least a year old). Disclosing the withdrawal liability and plan(s) obligation(s), regardless of the likelihood of withdrawal, will potentially confuse and mislead investors and users of the financial statements.

Question 3: What implementation costs, if any, will an employer face in applying the proposed disclosures? Are these costs significantly different when applying the proposed disclosure requirements to foreign plans?

As recognized in the exposure draft, much of this information may not be obtainable and, if available, may not be reflective of the current period reporting date. Also, in the Exposure Draft it is noted that much of this information is available and required to be provided by U.S. plans at the request of a participating company under the Pension Protection Act of 2006 and other regulations. However, no such requirement or law exists for foreign plans, which are also included in the scope of this proposal, generating significant concern as to the ability to obtain such information from foreign third party

providers. The implementation of the proposed changes is administratively burdensome and likely to be costly, not only to the participating companies within a plan but also to trustees providing the information.

Question 4: The Board plans to require that the amendments in the final Update be effective for public entities for fiscal years ending after December 15, 2010. Are there any significant operational issues that the Board should consider in determining the appropriate effective date for the final amendments?

The proposal to implement this Accounting Standards Update effective for fiscal years ending after December 15, 2010 would require UTC to adopt all of the disclosure requirements before December 31, 2010. As mentioned in our letter above, the Update was released September 1, 2010 with comment letters due November 1, 2010. To finalize and require this Update for implementation for this calendar year-end is unreasonable and would not provide sufficient or adequate time for the FASB to give consideration to comment letters or companies to work with third party providers, whom we will substantially have to rely on to obtain the proposed new disclosure information. While this information is available under the Pension Protection Act of 2006, plans subject to the PPA are given 30 days to provide the actuarial report (after the report has been in the plan's possession for at least 30 days) and 180 days to provide a notice of withdrawal liability². Strong consideration should also be given to the timeliness of foreign third party providers for which this information may be extremely difficult to extract. If the FASB decides to progress forward with the Update following its review and analysis of the comment letters received, UTC urges the FASB to defer the effective date for at least one year to allow sufficiently reasonable time to accurately and effectively collect the required disclosure items.

Question 5: The Board intends to defer the effective date for nonpublic entities, as defined in transition paragraph 715-80-65-1, for one year. Do you agree with the proposed deferral? If not, please explain why.

The proposed Update should apply to public and nonpublic entities alike. The FASB's mission is to affect financial reporting that "provides decision-useful information to investors and other users of financial reports." Nonpublic entities seeking financing through debt or private investment should be required to disclose these obligations and other changes in a consistent manner with that of publicly held entities.

Question 6: In addition to the deferral for nonpublic entities, should any of the provisions in this proposed Update be different for nonpublic entities (private companies and not-for-profit organizations)? If so, which provision(s) and why?

The proposed Update should apply to public and nonpublic entities alike. The FASB's mission is to affect financial reporting that "provides decision-useful information to investors and other users of financial reports." Nonpublic entities seeking financing through debt or private investment should be required to disclose these obligations and other changes in a consistent manner with that of publicly held entities.

² Section 502 of the Pension Protection Act of 2006

³ www.fasb.org "The Mission of the Financial Accounting Standards Board"

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Question 7: Do you believe that the proposed and existing XBRL elements are sufficient to meet the Securities and Exchange Commission's (SEC) requirements to provide financial statement information in the XBRL interactive data format? If not, please explain why.

Without having a finalized draft of what UTC's disclosure would look like if the changes per the Update were implemented, it is difficult to provide a meaningful response as to the sufficiency of the changes to the taxonomy.