Letter of Comment No: /O File Reference: 1032-PEU

March 18, 2005

Mr. Robert Herz Chairman Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

Re: Comments on Tentative Decisions Reached on October 13, 2004 Regarding Statement No. 87 for Pension Plans that provide for a Lump Sum Payment Option

Dear Mr. Herz:

We are writing to strongly encourage the Board to reconsider the decision reached at its October 13, 2004 meeting requiring the measurement of the pension obligation for plans with a lump sum option at the greater of the undiscounted walk away amount or the actuarial present value of the obligation. This proposal violates the fundamental concept of going concern and probability used in the recognition and measurement of financial statement liabilities, especially liabilities that are aggregate measurements and represent long-term obligations. We believe that measuring pension obligations with a lump sum option based on undiscounted walk away amounts would result in financial statements that are misleading. The result of this decision would be an overstatement of liabilities since current accounting rules would not allow for a reduction in liabilities for other compensation and benefits that are forfeited when an employee walks away.

We strongly believe that the Board should not address the measurement of pension obligations for plans with lump sum options in isolation but rather as part of a project that addresses the entire pension accounting model.

We appreciate the opportunity to express our views and would be pleased to discuss our comments or answer any questions that you may have. Please do not hesitate to contact me at (914) 253-3406 or Marie Gallagher at (914) 253-3449.

Sincerely.

Peter A. Bridgman Senior Vice President & Controller

Marie T. Gallagher Vice President & Assistant Controller