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October 20, 2003

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

**Letter of Comment No:** 14  
**File Reference:** 1025-200  
**Date Received:** 10/20/03

**Re: Employers' Disclosures about Pensions and Other Postretirement Benefits**  
(File Reference No. 1025-200)

Dear Sir or Madame:

We appreciate the opportunity to respond to the above referenced Exposure Draft. We generally support the changes proposed by the Exposure Draft and believe that they will add meaningful information to pension and other postretirement benefit plan disclosures at reasonable cost. The Board is to be commended for its efforts to determine that the costs of complying with the new standard are justified in relation to the overall benefits of the resulting information.

As noted in the Exposure Draft, the Board considered but rejected a proposal that would require companies to disclose the amount of net benefit cost by income statement line item. We support the Board's decision as it would be expensive and require a significant effort for ConocoPhillips to comply with such a requirement. With the process utilized by the company to allocate support costs among departments, the amount of net benefit cost included in each income statement line item is not readily available. The company could obtain this information only by implementing extensive systems changes or through a manual effort that would be a significant resource burden to comply with the year-end 2003 effective date.

While we generally support the proposed changes, we think the proposal to disclose total estimated future benefit payments with a separate deduction from the total for present value discounting should either be eliminated or modified. The purpose behind this disclosure is to provide users of financial statements with information regarding the amounts, timing, and pattern of cash flows. However, the presentation of large undiscounted benefit payments without the offsetting future growth in plan assets and plan contributions would be an incomplete cash flow disclosure and would be unnecessarily confusing to some users of the financial statements. We recommend that the Board either 1) omit this disclosure, 2) consider revising it to show all future years' benefit payments in terms of present values only, or 3) show expected future payments for only the next five years.

Very truly yours,

ConocoPhillips

Rand C. Berney  
Vice President and Controller