Grant Thornton

Accountants and Business Advisors

October 30, 2003

Director of Technical Application and Implementation Activities
File Reference No. 1025-200
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Letter of Comment No: 88
File Reference: 1025-200
Date Received: 10/30/03

Dear Director:

We are pleased to respond to the Proposed Statement of Financial Accounting Standards, *Employers' Disclosures about Pensions and Other Postretirement Benefits: an amendment of FASB Statements No. 87, 88, and 106 and a replacement of FASB Statement No. 132.* We support the FASB's effort in enhancing the transparency of disclosures about defined benefit pension plans and other postretirement benefits.

Overall, we agree with the additional disclosures that would be required by the proposed Statement, but are concerned that entities will not have sufficient time to obtain the additional disclosure information for calendar year-end financial statements. Our responses to the specific issues raised in the proposed Statement are listed below.

Plan assets

Issue 1

1. Are the proposed disclosures needed for users to understand the financial condition and results, market risks, and cash flows associated with pension plans and other postretirement benefit plans?

   We agree with the proposed disclosures, but suggest that the additional disclosures about investment strategies and policies, including the degree to which contractual maturities of plan assets align with the amount and timing of benefit payments, be required instead of strongly encouraged. We believe these disclosures will help users evaluate the effect that pension and postretirement benefit obligations will have on the employer's future cash flows.

399 Thornall Street
Fourth Floor
Edison, NJ 08837
T 732.516.5500
F 732.516.5509
W www.GrantThornton.com

Grant Thornton LLP
US member of Grant Thornton International

2. Should any of the proposed disclosures be eliminated and why?

   We do not believe any of the proposed disclosures should be eliminated.

3. What additional disclosures should the Board require that are not included in this proposed Statement or existing requirements?

   Please see our response to question 1.

Defined benefit pension plan accumulated benefit obligation

Issue 2

1. Are the proposed disclosures needed for users to understand the financial condition and results, market risks, and cash flows associated with pension plans and other postretirement benefit plans?

   We agree with the proposed disclosure.

2. Should any of the proposed disclosures be eliminated and why?

   We do not believe any of the proposed disclosures should be eliminated.

3. What additional disclosures should the Board require that are not included in this proposed Statement or existing requirements?

   Please see our response to Issues 8 and 9.

Cash flow information

Issue 3

1. Are the proposed disclosures needed for users to understand the financial condition and results, market risks, and cash flows associated with pension plans and other postretirement benefit plans?

   We agree with the proposed disclosures.

2. Should any of the proposed disclosures be eliminated and why?

   We do not believe any of the proposed disclosures should be eliminated.

3. What additional disclosures should the Board require that are not included in this proposed Statement or existing requirements?

   We believe direct payments from the employer to plan participants should be separately disclosed. Without this information it may be difficult for users to determine whether asset maturities are aligned with future benefit payments and to what extent benefits are unfunded.

Assumptions

Issue 4

1. Are the proposed disclosures needed for users to understand the financial condition and results, market risks, and cash flows associated with pension plans and other postretirement benefit plans?

   We agree with the proposed disclosures.

2. Should any of the proposed disclosures be eliminated and why?

   We do not believe any of the proposed disclosures should be eliminated.

3. What additional disclosures should the Board require that are not included in this proposed Statement or existing requirements?

   We are not aware of any additional disclosures the Board should consider.

Nonpublic entities

Issue 5

1. Do you agree that all disclosures that would be required by this proposed Statement, except for interim-period disclosure of the components of net periodic benefit cost recognized, should be required for nonpublic entities?

   We agree with the proposed disclosures for nonpublic entities.

2. Do nonpublic entities have any special circumstances affecting their ability to provide the proposed disclosures?

   We are not aware of any special circumstances that nonpublic entities may have.

Sensitivity information about changes in certain assumptions

Issue 6

Should disclosure of sensitivity information about hypothetical changes in certain assumptions be required and why?

We do not believe that disclosures about sensitivity information should be included in the financial statements for the reasons cited in the basis for conclusions to the proposed Statement. We believe information that may help investors evaluate the future liquidity of a public company should be discussed in Management's Discussion and Analysis of Financial Condition and Results of Operations.

Measurement date(s)

Issue 7

Should disclosure of the measurement date(s) be required and why?

Disclosure of the measurement date when an economic event occurs after the measurement date that may significantly affect reported amounts is appropriate disclosure.

We do not believe other disclosure is necessary for the reasons provided in paragraph A29 of the proposed Statement.

Reconciliations of beginning and ending balances of plan assets and benefit obligations

Issue 8
Should the reconciliations, as required by Statement 132, be eliminated or retained and why?

We believe the reconciliations of beginning and ending balances of plan assets and benefit obligations should be retained. These reconciliations provide the user with easy to read comparative information about the activities within the plan. Although the information may be included in other parts of the proposed disclosures, it is not as easily accessible as in a reconciliation. For these reasons and those cited in the basis for conclusions for Statement 132, we support retaining these reconciliations.

Disclosures considered but not proposed

Issue 9
Should any of the disclosures listed under Issue 9 in the proposed Statement be required and why?

We believe a company should disclose the following additional information:

- its participation in multiemployer plans if the cost is significant or could become significant in the future. In this regard, the disclosures listed in paragraph A21 of the proposed Statement would provide users with information to assess the effect that a company's participation in a multiemployer plan could have on its results of operations, financial condition, and cash flows.
- an explanation of the process management uses to determine the expected long-term rate of return on assets and the discount rate. This disclosure will provide users with information to assess the reasonableness of management's estimates and to facilitate a comparison among entities that use different expected long-term rates of return and discount rates.
- information about funding deficiencies. Paragraph 5g of the proposed Statement requires an employer to disclose contributions expected to be paid. An employer that does not anticipate it will be able to pay the contribution required by funding

regulations or laws should disclose the amount of the required contribution as well as its plan to resolve the funding deficiency.

- the weighted average duration of the benefit obligation for the reasons cited in paragraph A19 of the proposed Statement.

Disclosures in interim financial reports

Issue 10

1. Are the proposed disclosures in interim financial statements needed for users to understand the financial condition, results, and cash flows associated with pension and other postretirement benefits?

   We do not believe the disclosure of the amount of net periodic benefit cost recognized on an interim basis provides information that is incremental to the disclosures in the annual statement. We suggest that disclosure be required only if there is a significant change in the amount of net periodic cost recognized on an interim basis.

2. Should additional disclosures be required?

   We do not believe any additional disclosures should be required.

3. Should either of the proposed interim period disclosures be eliminated?

   See the response to question 1 of Issue 10.

Effective date and transition

Issue 11

Are the proposed effective date provisions and transition appropriate? If not, what alternative effective dates and transition would you suggest and why? If individual disclosures require additional time to compile, please describe the nature and extent of the required?

We do not believe the proposed effective date is appropriate. A final statement will probably not be issued until December. Companies with a calendar year-end will not have adequate time to analyze the final statement and determine the incremental information

Grant Thornton

required, obtain that information from their advisers, and draft an appropriate footnote. The Board should defer the effective date until fiscal years ending after June 15, 2004.

*****

We would be pleased to discuss any of our comments with the Board or FASB staff. Please direct your questions to Joseph Graziano at (732) 516-5560.

Very truly yours,

Grant Thornton LLP