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Financial Accounting Standards Board
Director of Technical Application and Implementation Activities
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

Letter of Comment No: 24
File Reference: 1025-200
Date Received: 10/24/03

Via email to director@fasb.org

File Reference No. 1025-200 Exposure Draft - Employer's Disclosure about Pensions and Other Postretirement Benefits

Dear Director:

Alcon, Inc. appreciates the opportunity to comment on selected issues of the FASB's File Reference No. 1025-200 **Exposure Draft - Employer's Disclosure about Pensions and other Postretirement Benefits**. We are supportive of the need to provide more transparent information concerning the Company's future commitments to its employees with regard to pensions and other retirement benefits. However, the cost and benefits to provide this information must be considered. Overall, we believe the benefits anticipated from many of these proposed disclosures will not exceed to cost to provide them.

Issue 1. While we do not object to the disclosure of broad categories of plan assets, we do object to the wording in Paragraph 5.d. (2) "Disclosure of additional asset categories and additional information about specific assets within a category is encouraged if that information is expected to be useful in understanding the risks and expected long-term rate of return for each asset category."

This Paragraph 5.d. (2) could open the door for every plaintiff's attorney to sue the Company unless the Company provides a complete listing of every individual asset, a discussion of the risks inherent in each asset and the expected long-term rate of return on each asset. To provide such an exhaustive listing and discussion for each asset would be onerous at best and at worst, given the accelerated filing guidelines of the United States Securities and Exchange Commission, may not be completed in a timely manner.

Furthermore, we object to providing target allocation percentages for each asset category. This is a management decision that may or may not change. Management's strategy for asset allocation should not have to be disclosed in a financial statement of the Company.

For certain investments, this might actually permit third parties to take advantage of the Company's strategy.

Finally, we object to providing the expected long-term rate of return on each major category. While companies use this information to arrive at an overall target rate of return that is disclosed as an "assumption", this information should not be presented in any greater detail as it is an assumption and not a "known and measurable" fact. To provide more detailed information may cause some readers to place more reliance on this assumption than they should or to use the information for other purposes for which it is not intended.

Issue 3. Presentation of projected cash flow data would be required for the five years following the statement date. Because of the long term nature of pension obligations and the compounding effect of income from plan earnings, the use of short term cash flow measures is not appropriate and should not be required.

We can understand the rationale for the disclosure of required employer contributions to the plan during the next fiscal year, as this is useful objective information concerning capital requirements of the Company. However, the composition (cash, securities, real estate, etc.) of these contributions is only projected and may change subsequent to the disclosure, as the contributions or intentions of the Company may change. We disagree with requiring the disclosure of the amount and source of future contributions because it may lead readers to erroneous conclusions.

Issue 6. The Board declined to include sensitivity information in the disclosure requirements and Alcon supports this decision. The inclusion of hypothetical information concerning the change in a single assumption, while holding all other assumptions constant, is not a valid analysis, given the dynamic nature of pension and postretirement estimates.

Issue 8. The Exposure Draft proposes to delete the existing requirement to provide a reconciliation between the beginning and ending balances of the plan assets and obligations. We believe that the inclusion of these reconciliations added a simple explanation of the movement of plan assets and obligations and is of use to the financial statement user. Therefore we support the continued inclusion of these reconciliations rather than the other disclosures for which we have noted our disagreement in this comment letter.

Issue 9. Alcon agrees that the multiple other disclosures considered but rejected by the Board should not be implemented.

Issue 10. Alcon strongly disagrees that interim information should be included in the Company's quarterly financial statements. Because of the long term nature of retirement benefits, quarterly information normally would not be meaningful. The development of accurate and useful interim information would place undue expense and burden on reporting companies, while providing very little useful information to financial statement users. Issuers of interim financial statements have an existing obligation to disclose material changes in the results of operations or financial condition if necessary to understand the financial statements. That obligation is sufficient to require adequate disclosure.

Issue 11. Alcon believes that the proposed application of this statement for fiscal years beginning after December 15, 2003 is an unreasonable effective date for this statement. To provide the additional information will require a change in the information provided by each company's outside actuaries, as well as coordination of reporting from many international affiliates. To accomplish this effort in an organized fashion in the proposed time frame will create numerous logistical problems for any large company. We would propose a delay for implementation until after December 31, 2004.

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Again, we appreciate the opportunity to comment on this exposure draft. If you have any questions concerning our comments, please contact me.

Very truly yours,

Alcon, Inc.

Jeff Stratton
Director, Group Accounting & Reporting