Stacey Sutay

From: Labadie, Andrew [Andrew.Labadie@NASD.com]

Sent: Friday, October 24, 2003 12:38 PM

To: Director - FASB

Subject: File Reference No. 1025-200 Employer's Disclosures about Pensions

Dear Sir:

As an individual investor, I have the following comments regarding the Proposed Statement of Financial Accounting Standards: Employers' Disclosures about Pensions and Other Post Retirement Benefits (the "Exposure Draft").

Letter of Comment No: 20

File Reference: 1025-200

Date Received: 10/24/03

While the inclusion of a schedule of estimated benefit payments as proposed in subparagraph 5(f) and the disclosure of actual investment returns at interim reporting periods would help in assessing the relationship between the ongoing obligations and the current status of defined benefit plans, the requirements of the Exposure Draft add very little in facilitating a better understanding and assessment of the financial position, operations, and cash flows of the issuer. In addition, I believe that the disclosure of various broad-based asset categories and related expected returns as proposed in subparagraph 5(d) will over time provide a "license" to users to demand the inclusion of increasingly detailed information to better assess market risk whenever changes occur in the asset bases of defined benefit plans.

I have found the reconciliations of beginning and ending balances of plan assets and benefit obligations to be extremely useful in determining the material components of changes in the plan components over time. I believe that the current disclosures satisfy the goals stated in paragraph A2, with the exception of requiring improved qualitative information. The basis for replacing the reconciliations stated in paragraph A33 seemed inconclusive. Also, contrary to what was implied, I have been able to locate the actual investment returns, benefit payments and employer and participant contributions in the reconciliations.

With respect to the proposed requirements, I fail to understand how the disclosure of broad asset classes and related expected returns will permit a meaningful evaluation of a plan's market risk. The variance of returns and risks of the components in each of the classes is likely to be overwhelming, and I believe will only invite future calls for increased disclosure. From an investor's standpoint, the significant issue is the difference between expected and actual returns over time. I recommend, contrary to the conclusions in paragraph A14, which seem to take an all-or-nothing approach, that issuers address, in the liquidity section of Management's Discussion and Analysis, the reasons for the return difference and explain how they intend to resolve the difference. (I believe that issuers should also include a similar discussion regarding adverse actuarial experience.)

Overall, I do not believe that the adoption of the Exposure Draft provides substantial benefits to financial statement users. The arguments in paragraphs A7 and A8 seem to rely solely on the assertion that if information exists it can easily be included in the financial statements, and more importantly failed to address the specific benefits of the information that would be obtained as a result of the proposed requirements. I think the Board needs to consider explicitly the merits of additional disclosure in context of the entire financial statements and management's discussion and analysis and not merely from the perspective of a particular component.

Thank you for the opportunity to comment on the Exposure Draft. Please call me at (202) 728-8397 if you have any questions.

Andrew Labadie