



Praxair, Inc.  
39 Old Ridgebury Road  
Danbury, CT 06810-5113

November 14, 2003

Letter of Comment No: 95  
File Reference: 1025-200  
Date Received: 11/14/03

Charles L. Jacobson  
Assistant Controller  
203-837-2158

Director of Technical Application and Implementation Activities  
401 Merritt 7  
P.O.Box 5116  
Norwalk, CT 06856-5116

**Re: File Reference # 1025-200 Disclosures about Pensions**  
Via e-mail to: [director@fasb.org](mailto:director@fasb.org)

Dear Larry:

Praxair, Inc. has been following with interest the Board's deliberations on the subject exposure draft. These comments are in response to the Board's November 11, 2003 meeting.

We agree with many of the decisions made by the Board at the meeting as summarized on the FASB's web site on November 12, 2003. However, we would like to express our opinions in two areas:

**Issue 3a – Schedule of Projected Value of Future Benefit Payments**

We do not believe these proposed disclosures are meaningful to users of financial statements and will only be confusing. Instead, we believe the retained PBO and asset reconciliations (with which we agree), coupled with disclosure of discount rate assumptions, provide meaningful information with respect to pension and OPEB obligations and benefit payments which is understandable and which clearly discloses the current level of benefit payments. Further, the contribution disclosures (with which we also agree) are the most important measure of a company's cash flow requirements for pension plans and will provide meaningful cash flow information that is relevant to the users of financial statements. It is important to note that, for public companies, the MD&A sections on liquidity and critical accounting policies already provide much of this information where such information is significant to an understanding of the company's financial position, cash flows or results of operations.

**Issue 10a – Interim Disclosures of Pension and OPEB Expense**

We do not believe such disclosures should be required on an interim basis any more than other individual expense categories should be required (e.g., maintenance, bad debts...). Instead, the impact of such costs are currently required to be disclosed in MD&A if they are meaningful to an understanding of the financial statements, and we believe this is appropriate. Also, companies can always disclose such information if it is considered meaningful.

However, if the Board continues to propose this disclose of pension and OPEB expense in interim reports, we strongly recommend that the requirement to also show the components of expense be dropped (i.e., service costs, interest costs, asset returns, and amortization gains and losses). As noted by several commentators in their letters, these components are generally determined on an annualized basis and not updated each quarter, unless conditions warrant. To do so would not be cost beneficial. We believe the disclosure of total net periodic pension and OPEB expense recognized in the income statement would be sufficient disclosure to accomplish the Board's objective.

We appreciate the opportunity to comment on the proposed rule changes. Please call with any questions.