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February 26, 2003

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MAJORITY—(202) 225-4527
 (TTY)—(202) 226-3372
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 (TTY)—(202) 226-3116

Mr. Robert H. Herz
 Chairman, Financial Accounting Standards Board
 401 Merritt 7
 P.O. Box 5116
 Norwalk, Connecticut 06856-5116

Letter of Comment No: 3
 File Reference: 1025-PNU
 Date Received: 02/26/03

Dear Chairman Herz:

We request you to take urgent action to modify financial accounting standard No. 87 (FAS 87), which permits companies to use phantom pension profits as part of operating income and thereby offset company losses and distort corporate incentives. As you know, pension assets and earnings are held for the exclusive benefit of the employees - not the company - and should not be used to offset company losses. Additionally, the current FAS 87 allows companies to claim investment income even in cases where the plan is reporting investment losses for a given year; a practice clearly contrary to generally accepted accounting principles.

According to Credit Suisse and other analysts, the pension funds of Standard & Poor's 500 index lost over \$200 million in value, much of which was underreported in company financial statements. If these losses had been counted, the earnings for the S&P 500 would have been 70 percent lower in 2001. In the post Enron era - where average Americans are still suffering from billions of dollars lost due to corporate abuse and fraud - it is unconscionable to continue a rule that so clearly misleads employees and investors about the real financial condition of a company.

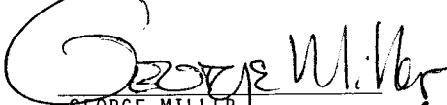
It is especially invidious that FAS 87's inclusion of pension assets in operating income allows company executives to claim pay bonuses and other incentives such as stock options based on phantom employee pension profits - a factor that has nothing to do with the company's real performance.

Last month, the Pension Benefit Guaranty Corporation estimated that the country's private pension plans are underfunded by over \$300 billion - a staggering \$150 billion over the previous year, and 10 times the average amount of private pension deficits reported in the previous two decades. Companies should be required to honestly and accurately report these

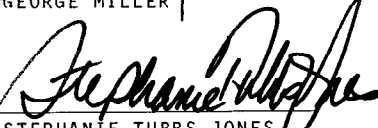
historic pension losses and not be allowed to use confusing accounting schemes and obfuscating footnotes in the company's financial reports.

We look forward to your prompt response.

Sincerely,


GEORGE MILLER


SHERROD BROWN


STEPHANIE TUBBS JONES


TAMMY BALDWIN


LLOYD DOGGETT


ROBERT MATSUI

cc: Members of the Financial Accounting Standards Board
Mr. William H. Donaldson, Chairman, SEC