



National Marine
Manufacturers Association



LETTER OF COMMENT NO. 242

July 5, 2006

Financial Accounting Standards Board (FASB)
Technical Director
File Reference No. 1025-300
401 Merritt 7
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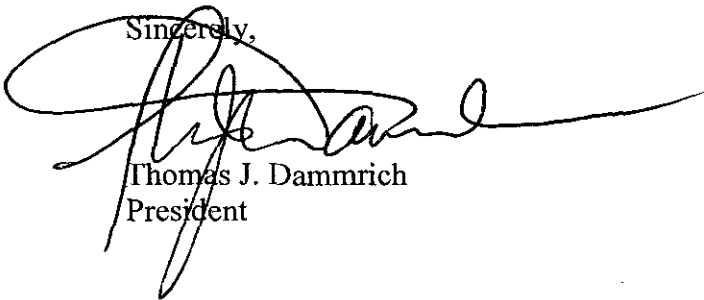
Ladies and Gentlemen:

I have recently received information concerning the proposed pension accounting rules that you are considering for adoption as amendments to SFAS 87 and SFAS 106. I find it very disturbing that the FASB would consider such a proposed amendment which would require employers to immediately recognize the PBO through adjustments to "Other Comprehensive Income." The Projected Benefit Obligation (PBO) in a pension plan is not a "real" liability of the employer. On any given date, the employer could freeze or terminate its pension plan and the PBO would "shrink" to the Accumulated Benefit Obligation (ABO). Consequently, the PBO does not represent an obligation that the employer is required to pay at any single point in time.

Requiring employers to immediately recognize the PBO through adjustments to "Other Comprehensive Income" will likely meet with significant resistance from the business community. I believe that some employers may elect to not apply these new rules to their pension accounting and accept an audit exception in their audit report from their independent auditor.

Hopefully the FAS will come to understand the problems with their proposed rules and act to change their proposed rules to remove these onerous provisions.

Sincerely,



Thomas J. Dammrich
President

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