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September 16, 2010

Financial Accounting Standard Board
Technical Director
401 Merritt 7
Norwalk, CT 06586-5116

RE: Disclosure about an Employers Participation in a Multi-Employer Plan
File Reference Number 1860-100

Gentlemen:

We have previously commented on your earlier proposed Standards Update Subtopic File Reference Number 1840-100, Disclosure of Certain Loss Contingencies. This latest Standards Update proposes even more reporting requirements on our business that we feel will be misleading to readers of our financial statements and serve no purpose to furthering the goal of transparency. Speaking for our mid-sized family owned construction company we are firmly opposed to the proposed change.

We have several reasons for our opposition. The first involves our ability to gather the information in a timely and accurate manner.

A requirement that looks as simple and innocuous as providing the total assets and accumulated benefit obligations of the plan is nearly impossible to obtain on a timely basis. Actuarial reports computing the accumulated benefit obligations for December 31st generally arrive in October. That is obviously much too late to be included in our reports. Any information that we would be able to provide would be so dated as to be relatively useless for reporting purposes.

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This latest proposed Standard would require disclosures regarding expected contributions for the next annual period and trends in future contributions. In most trade unions this decision is not made until thirty days before any raise becomes effective. For most contractors to provide this information ahead of time is akin to throwing a dart at the wall.

This proposed Standard would also require a narrative description of any funding improvement plans adopted by the various plans including the expected effects on the employer. We are already reporting any effect these improvement plans have on our company through the regular course of business on our income statements as a cost of sales. Given the fact that 80% of the plans in this country currently have some sort of funding improvement plan, for a contractor that deals with multiple plans to provide a narrative on each and every one that has adopted a funding improvement plan would turn this footnote into a novel.

As did your previous proposal this latest requires the inclusion of any potential withdrawal liability that may exist. As we are sure you know the computation of withdrawal liability is an actuarial calculation. Few funds, if any, make this calculation regularly as a matter of procedure. Fewer funds, if any, employ an actuary on staff and would have to retain their actuary to complete these calculations annually. It is an unnecessary expense to the fund that would surely be passed back to the business owner who has requested the information. We have been told that this calculation for our company alone for one local plan will be $2,500. For a company like ours that deals with multiple plans this problem is greatly compounded and the costs multiplied.

Second, the calculation of the withdrawal liability itself is part science and part art. It relies on several assumptions that are made by the trustees of the plan upon which we have no input and that may or may not be accurate. Inclusion of this note would require further language that says that management can in no way verify or vouch for the figures provided. An impasse between us and our auditors regarding the accuracy of this remote potential liability may require the rendering of a qualified opinion.

Third, and probably most important, the disclosure of this information to those who may not understand the intricacies of ERISA that would cause this potential liability to blossom into an actual liability will most surely mislead, confuse and frighten those who contractors need most - our lenders, suppliers and sureties. It will cause them to react by imposing stricter loan covenants, require additional security, tighten credit terms or at worst non-renew credit lines and bond lines.

Finally, despite the fact that ERISA carves out an exemption from this liability for contractors, inevitably, the next logical step will be to require that this remote potential liability be reported on the balance sheet as a true liability. That would ruin the balance sheets of perfectly healthy companies and be devastating to every small and mid-size contractor in the country. It will render perfectly healthy operating companies financially insolvent. Our fear is that the footnote requirement will have the same practical effect.

We appreciate the ability to comment on this proposed change and again want to state our total opposition to the finalization and implementation of the proposed language.

Very truly yours,
M & O INSULATION COMPANY

Peter F. Castellarin
Chief Executive Officer