September 21, 2010

Technical Director, FASB 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5166

File Ref: 1860-100

RE: FASB Multi-Employer Pension Disclosure

Dear Technical Director:

On behalf of my clients who participate in collectively bargained benefit plans and on behalf of union employees, I am responding to the proposed requirements to disclose unfunded multi-employer pension plan withdrawal liabilities by organizations that have no intent or desire to withdraw from such plans. Our firm believes that the repercussions of such disclosure will cause economic harm to the participating employers, a chilling effect on the hiring of union employees, and overall result in a decrease in economic activity. We have outlined support for our position as follows:

- 1. Misleading financial information The unfunded withdrawal liability of a sponsoring employer that has no intent to withdraw from a plan is an actuarially projected estimate based on a hypothetical event and does not represent a tangible liability. Given the wide swings in investment performance, especially in today's volatile market place, and given that the liability is an actuarial estimate, (with numerous assumptions: discount rate, mortality, investment performance, man-hours funding) the calculated amount would be misleading and more times than not have no basis in reality.
- 2. Economic harm Because the reporting of a large withdrawal liability amount may be misunderstood by users of the financial statements, (as it does not represent an actual liability until an employer withdraws) the participating employer could face a greater challenge in obtaining financing for construction projects and cash flow needs. The lending institutions will unfairly punish the multi-employer plan participating employers for their involvement in a plan that was set up for the welfare and benefit of their union employees. Based on the clients that I service this represents approximately 150,000 union employees and 202 million work hours annually.

- 3. Costs The additional costs incurred by plans and sponsoring employers to gather and produce the required disclosure is a non-productive use of assets. Actuaries have informed the plans they will be required to resurrect historical information on participating employers that could go back many years.
- 4. Disclosure Theory In most accounting theory the financial statements do not recognize a liability until the amount is probable and estimable. We agree that sponsors who have elected to withdraw from a plan have met this threshold; however, those that are continuing in perpetuity have not and should not be required to disclose an amount, which in many cases will never be realized.
- 5. Social Costs The additional requirements and added costs associated with producing the disclosure will have the effect of causing sponsoring employers to leave the multi-employer plans, which will have a far reaching social and economic impact. The retirement burden will be shifted to the employee, and ultimately social security and government subsidy programs as an aging community will no longer be able to support themselves.

We appreciate the opportunity to respond on behalf of our clients and share with you some of the real world impact that these additional disclosures will have. Should you require any additional information, please feel free to contact me.

Respectfully yours,

HARPER & PEARSON COMPANY, P.C.

Stephen A. Palmerton, CPA