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October 18, 2010

Mr. Russell G. Golden Technical Director Financial Accounting Standards Board Norwalk, CT 06856-5116 director@fasb.org

Re: File Reference No. 1860-100

Dear Mr. Golden:

I write on behalf of the Mechanical Contractors Association (MCA) in Chicago. MCA is a professional trade association representing contractors in mechanical construction, installation of heating, ventilating, air conditioning, and process piping work and consisting of nearly 400 union mechanical contracting firms through the Piping Education Council. Our members employ nearly 7,000 union pipe fitters.

As employers who participate in multi-employer pension plans, we have serious concerns regarding the proposed exposure drafts. We believe:

- the withdrawal liability disclosure called for would be misleading information because of the time lag in plan valuations and financial statements;
- the proposed disclosure is misleading because no liability is actually incurred unless the audit subject has or specifically intends to go open shop in the area of any particular plan;
- the cost to prepare such information will present an unnecessary burden on both the multiemployer plans themselves and the employer; and
- disclosing such volume of complicated information to individuals who do not understand the complex area of multiemployer plan construction law will have a chilling effect on our employers ability to compete for loans and secure bonds.

With respect to those who drafted the exposure draft, we fail to understand how the current FASB rules have broken down. The current rules recognize that construction industry employers only incur withdrawal liability if they withdraw from a plan and go non-union in the area within five years. As such, they require disclosure and recognition of withdrawl liability in the event the audited company has gone open shop in the last year or intends to so in the future.

While we can understand your concern for increased transparency regarding the financial condition of *some* of the plans in which our contractors participate, we do not believe that this proposal will accomplish increased transparency. The exposure draft requires disclosure of a liability that will in all likelihood not be incurred. This information will be misleading and will cause great expense to the employers and the plans. For multi-craft employers who participate in multiple plans, the pages of footnotes themselves will overshadow the actual financial statement. The information contained in these footnotes will be unreliable, outdated, and inaccurate.

Unfortunately, should such information be disclosed, there are catastrophic risks to employers if and when these disclosures are misinterpreted by users of financial statements who do not have a deep background in multi-employer construction law. Construction employers' surety and commercial credit capacity and costs will suffer, and in that case the plans too would suffer added costs and decreased contributions, and the entire stability of the high-skill workforce development and industry capacity would be impaired and jeopardized unnecessarily.

We believe that disclosing such inaccurate and unnecessary information in this manner is needless, expensive, and burdensome, while actually providing **less** accuracy to our employers' financial statements.

We are committed to working with you to ensure that actual liabilities are disclosed in a timely and accurate manner when those liabilities are incurred. Please take a hard, long look at your exposure draft and please work with us to come up with a proposal that shows real liabilities without the negative unnecessary risks of the current draft.

Respectfully/submitted

Stephen L. Lamb

Executive Vice President