

From: roger.vanderhorst@chapel.com
To: [Director - FASB](#)
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Commenting on FASB 715-80

- NECA supports FASB's goal of maintaining transparency and establishing high accounting standards, but it is opposed to providing misleading and inaccurate withdrawal liability information. The inclusion of such misleading information, in the form of a new disclosure on an employer's financial statement, will negatively impact an employer's ability secure a line of credit or a loan. Such a disclosure will negatively impact the credit industry as it will reject loan applications from employers with these new disclosures that will now appear on financial statements when in reality, such an investment opportunity is one with a financially secure company.
- Withdrawal liability assessments can be misleading because they represent a snapshot of a single moment in time and fail to reflect the long-term nature of multiemployer defined benefit plans or other factors affecting plan funding such as fluctuating stock market returns.
- Withdrawal liability assessments can be expensive and will be an administrative burden. A recent estimate from the NEBF indicates such an assessment could cost \$1200 and such an expense will likely be the responsibility of the employer. For employers participating in many multiemployer plans, this potentially represents a huge expense and administrative burden. Currently, over 10,000 employers participate in NEBF's plans. It is unlikely that actuaries will be able to handle the volumes of requests for withdrawal liability assessments.
- NECA believes that withdrawal liability should only be disclosed when such an expense is likely to incur or intended to be incurred in the future. Under ERISA, and only if a defined benefit plan is underfunded, will there be any withdrawal liability assessed.
- It is unlikely that an employer will cease contributing to a defined benefit plan and actually incur withdrawal liability.
- At a time when the country is trying to come out of an economic recession, this represents an unnecessary restriction on the use of capital and an investment opportunity lost for the banking and investment industry.

Roger Van Der Horst
VP of Finance
Chapel Electric Co, LLC

P: 937 640 7925 (Direct)

F: 937 640 5369
C: 937 361 0427