ROBISON, HILL & CO.

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Technical Director Financial Accounting Standards Board P.O. Box 5116 Norwalk, CT 06856-5116

Re: Exposure Draft of July 20, 2010 Disclosure about an Employer's Participation in a Multiemployer Plan FILE REFERENCE 1840-100

Dear Technical Director:

Robison, Hill & Co. is a small CPA firm that has been very involved in auditing multiemployer benefit plans (of all types) since 1953. We are commenting on the above referenced exposure draft on behalf of our clients. Most of the plans we audit are relatively small, as are most of the participating employers. We believe that the financial impact and repercussions of the proposed disclosures will result in economic harm to the sponsoring organizations and employees, and will not provide benefits commensurate with the cost. We offer the following as support for our position:

- a) Nearly all of our sponsoring organizations have no intent or desire to withdraw from the plans, so the determination of withdrawal liability is a waste of fund resources. It provides misleading financial information and does not reflect a tangible liability. Further, significant swings in investment results and assumptions leads to misleading and meaningless data, yet the cost to produce this information is projected to be substantial; this cost does not constitute prudent use of plan assets.
- b) The potential for misunderstanding by users of the financial statements is also significant. Disclosure of withdrawal liability will likely be deemed *actual* liability, which could result in economic harm to the participating employers when they attempt to obtain financing or capital contributions. This will have a direct impact on the employees, whose interest the plans are set up to benefit.
- c) The proposed disclosure requirements violate the basic theory of accounting disclosure. Withdrawal liability is neither probable nor estimable, particularly for those employers who have no intent or desire to leave the plan. Clearly, those who *are* withdrawing meet the theoretical requirement for disclosure,

- but those continuing have not, and should not be required to provide data that most certainly will be misleading.
- d) Requiring this disclosure is one more incentive for employers to disassociate from employee benefit plans, as the costs of participation will go up, with no increased benefit provided to the employee. As employers leave multiemployer plans due to increasing costs, the retirement burden will then shift to the employee, ultimately placing more burdens on government subsidy programs.
- e) Because of the realities in calculating the potential withdrawal liability, the data disclosed on employer financial statements will be old (12-18 months, in most cases), and possibly meaningless or misleading.

In summary, we strongly urge the withdrawal of the proposed changes to sections 715-80-35 and 715-80-50. We believe that the impact to our clients will be adverse should the proposal be enacted. We appreciate the opportunity to respond on behalf of our clients, and are available for questions or clarification of our position.

Sincerely,

David O. Seal, CPA Robison, Hill & Co.

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