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Technical Director, File Reference No. 1860-100 Financial Accounting Standards Board 401 Merritt 7 PO Box 5116 Norwalk, CT 06856-5116 28 October 2010

RE: Proposed Accounting Standards Update, Disclosure about an Employer's Participation in a Multiemployer Plan (File Reference No. 1860-100)

Dear Sir or Madam:

We appreciate the opportunity to comment on the Proposed Accounting Standards Update (ASU), Disclosure about an Employer's Participation in a Multiemployer Plan (the Proposed Update). We commend the Board for proposing enhanced disclosure requirements related to an employer's participation in a multiemployer plan. We agree that additional quantitative and qualitative disclosures are necessary to provide more useful and transparent disclosure of an employer's obligations arising from its participation in a multiemployer plan.

We believe any additional required disclosures should be aligned with clearly defined disclosure principles that are linked by a common framework. We are concerned that in this and other projects, the FASB is considering a "wish list" of potential disclosure requirements without considering how those requirements can be managed in a way to efficiently provide information that is most important to users of financial statements. We continue to believe that the FASB should avoid promulgating significant new disclosure requirements until it completes its project to develop a disclosure framework.

In the absence of a common framework, additional disclosures should only be required if they will provide the most meaningful information to financial statement users for a reasonable cost. In our view, this information would include:

- a description of an employer's involvement in a multiemployer plan(s),
- its contractual commitment to the plan(s),
- the amount contributed in the current and comparative periods,
- known trends in contributions for the foreseeable future and
- the funded status of each material plan, together with information to portray an employer's relative share of that funded status.



We encourage the Board to consider streamlining the Proposed Update to eliminate required disclosures that have (a) limited utility or (b) do not provide significant incremental information when considered with other required disclosures. Our specific proposals to achieve this objective are described in the Appendix to this letter.

Finally, we do not support the proposed transition that would require public companies to comply with the requirements of the Proposed Update for periods ending after 15 December 2010. Considering that the comment period is open until 1 November 2010, we do not believe that public companies will have sufficient time to prepare for the expanded disclosure requirements, particularly those disclosures that will be developed from information that has to be obtained from administrators of the multiemployer plans. We continue to have concerns about proposed transition dates that are within a few months of the end of the comment period for the exposure draft. While we understand the Board's objective to promptly improve financial reporting, this objective should be balanced with the need to avoid imposing unreasonable burdens on preparers that have the potential to lead to errors and internal control deficiencies.

Please refer to the Appendix to this letter for our detailed comments and suggestions in response to the guestions in the Proposed Update.

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We would be pleased to discuss our comments with the Board members or the FASB staff at your convenience.

Very truly yours,



Responses to Questions in the Proposed Accounting Standards Update, Disclosure about an Employer's Participation in a Multiemployer Plan

Question 1: Do you agree that the proposed quantitative and qualitative disclosures will result in a more useful and transparent disclosure of an employer's obligations arising from its participation in a multiemployer plan? Why or why not? If not, what changes would you suggest to the proposed amendments?

We agree that additional quantitative and qualitative disclosures will result in a more useful and transparent disclosure of an employer's obligations arising from its participation in a multiemployer plan when compared with the current disclosure requirements. We believe the current disclosure requirements require enhancement to enable users to better understand risks, including the potential impact on cash flows, associated with participation in a multiemployer plan.

We agree with the disclosure objective to improve the transparency about an employer's risks and commitments arising from its participation in a multiemployer plan, as outlined in paragraph BC3 of the Proposed Update. We believe that the information most relevant to achieving this objective would include:

- a description of an employer's involvement in a multiemployer plan(s),
- its contractual commitment to the plan(s),
- the amount contributed in the current and comparative periods,
- known trends in contributions for the foreseeable future and
- the funded status of each material plan, together with information to portray an employer's relative share of that funded status.

While we believe the other proposed disclosures may be informative, in our view, they may not provide incremental decision-useful information. In many cases, the most recent information available from a multiemployer plan will be dated by as much as 12 to 18 months. We agree that dated information is better than no information, but the more outdated the data, the less relevant it will be to financial statement users, particularly since assumptions underlying benefit plan obligations can change significantly in a short period of time. The limitation on the usefulness of outdated information is a primary reason why we believe the disclosure requirements should be restricted to only those most clearly and closely related to the risks arising from participation in a multiemployer plan.

We encourage the Board to consider streamlining the Proposed Update to eliminate required disclosures that have (a) limited utility or (b) do not provide significant incremental information when considered with other required disclosures. For example:

The disclosure of an employer's estimated withdrawal liability in periods prior to when withdrawal is at least reasonably possible may not provide decision-useful information, as we discuss further below in our response to Question 2. Rather, we believe the proposed disclosure of the funded

status of the plan together with information necessary to portray an employer's proportionate share and a summary of the employer's contractual commitment to the plan should be sufficient for an employer to communicate the risks related to future cash outflows in the event of a withdrawal.

The exposure draft proposes that an employer disclose both its contributions to a multiemployer plan as a percentage of total contributions together with other quantitative information about the employer's participation in the plan, such as the number of its employee participants as a percentage of total plan participants.

We also suggest including the disclosure objectives related to multiemployer plans currently included in paragraph BC3 of the Proposed Update directly in 715-80-50-1 in the final ASU. We believe streamlining the required disclosures and adding disclosure objectives will help employers focus on providing the most relevant information about their participation in a multiemployer plan. We also believe streamlining the disclosures will help manage the cost of providing these disclosures for those employers that may participate in a significant number of material plans.

We also recommend that the Board clarify whether these proposed disclosures would be required in a subsidiary's financial statements when the subsidiary's employees participate in a multiemployer plan through the parent entity. We believe the proposed disclosures should only be required in the financial statements of the entity that contracts with the plan. However, we encourage the Board to consider tailoring the proposed disclosure requirements to a subsidiary's financial statements when the subsidiary is not the entity that contracts with the plan (i.e., disclosure about the subsidiary employees' participation in a plan(s) contracted by the parent as well as the related qualitative and quantitative information about the subsidiary's contributions to the plan(s)). Additionally, we do not believe these proposed disclosures should be required in financial statements of subsidiaries that follow multiemployer plan accounting related to their participation in a parent's single employer plan (ASC 715-30-55-64).

We believe two clarifications to the proposed disclosures are required. First, the introduction to the list of proposed disclosures in 715-80-50-1B states, "If any information is not obtainable, an employer shall provide an explanation of why it is not obtainable". We suggest that the Board clarify whether it intends the phrase "not obtainable" to include only situations when obtaining the information is impracticable (as that term is used in ASC 250) or to more broadly apply in situations when the information cannot be obtained without undue cost or effort. We believe this clarification is important to reduce potential diversity in practice.

Second, it may not be clear to all preparers that the proposed qualitative information is required only for annual periods. Specifically, proposed paragraph 715-80-65-1 requires initial disclosures to be made in fiscal "periods", which could be interpreted to mean "interim periods." We suggest the Board clarify its intent by changing "periods" to "years."

Question 2: Do you believe that disclosing the estimated amount of the withdrawal liability, even when withdrawal is not at least reasonably possible, will provide users of financial statements with decision-useful information? Why or why not?

We do not believe that disclosing an estimated amount of the withdrawal liability when withdrawal is not at least reasonably possible will provide relevant or reliable information for users of financial statements. In our view, a withdrawal liability that is not at least reasonably possible of occurring is not relevant because there is a high likelihood the estimated amount will have little to no effect on the employer's financial statements or cash flows.

In addition, we question whether the disclosure of a withdrawal liability calculated based upon contractual terms provides reliable information. There could be many factors contributing to the amount an employer may ultimately be required to pay upon withdrawal from a multiemployer plan, including the reason for withdrawal and both the employer's and the plan's financial status at the date of withdrawal. We understand that in practice many withdrawals result in negotiated settlements and, accordingly, actual withdrawal obligations often differ from the contractually-determined withdrawal obligations. For example, we are aware of situations in which employers have settled withdrawal obligations to multiemployer plans in exchange for lump sum payments that are significantly less than the present value of the contractual liability, which was scheduled to be paid out over a period of up to 20 years.

As an alternative, we suggest that employers be required to disclose information about the funded status of a multiemployer plan, together with any relevant employer-specific information to provide context for financial statement users to understand what proportion of the plan liability may apply to the employer. We believe there are several ways that an employer could convey information to allow users of its financial statements to understand the risks associated with its portion of the funded status of a multiemployer plan. For example, an employer could meet this disclosure objective by disclosing the number of its employees participating in a plan in relation to the total number of plan participants, or by disclosing its contributions as compared to total plan contributions. In other cases, an employer's share of the funded status may be obtainable directly from the plan. We believe this approach would provide an employer with flexibility to disclose the most relevant and reliable information related to its relative participation in a multiemployer plan without providing information that is largely duplicative. This approach would also provide transparency into the underlying financial risks associated with participation in a multiemployer plan at the financial reporting date.

Question 3: What implementation costs, if any, will an employer face in applying the proposed disclosures? Are these costs significantly different when applying the proposed disclosure requirements to foreign plans?

Please see our comments provided below in response to Question 4.

Question 4: The Board plans to require that the amendments in the final Update be effective for public entities for fiscal years ending after December 15, 2010. Are there any significant operational issues that the Board should consider in determining the appropriate effective date for the final amendments?

We believe the proposed effective date is onerous. In our opinion, it is not reasonable or practical to expect preparers to implement a proposed accounting standard when there is less than one year between the issuance date of the final standard and its effective date. Considering that the comment period for this Proposed Update is open until 1 November 2010, we do not believe that public companies will have sufficient time to prepare for the expanded disclosure requirements.

While we understand that employers participating in multiemployer plans in the U.S. generally have contractual rights to obtain much of the information necessary to prepare the proposed disclosures, we also understand that certain of this information has not historically been requested from the plans. Therefore, it will take time for administrators of the plans to respond to information requests and for a participating employer to review, validate and summarize the information for financial reporting purposes. For an employer participating in foreign or multiple multiemployer plans, the time required to comply with these new requirements will be compounded. We also understand that plans will likely pass along the cost of providing the information to the employer.

In addition, employers will need to establish appropriate internal controls over the processes used to obtain, validate, and summarize the information. Public companies will need to develop an approach to verify the information included in the proposed disclosures. These additional steps will increase the time required to implement the new disclosures and further explains why the proposed effective date for public companies is onerous.

Finally, we also believe there will be incremental time and costs incurred to audit the required disclosures. Depending upon the materiality of an employer's relative participation in a plan, it may be necessary for a company's auditors to independently verify information provided by a multiemployer plan or other third parties, whether audited or unaudited, as well as the information generated from the books and records of the employer.

Question 5: The Board intends to defer the effective date for nonpublic entities, as defined in transition paragraph 715-80-65-1, for one year. Do you agree with the proposed deferral? If not, please explain why.

We believe that the disclosures should be required no earlier than fiscal years ending after 15 December 2011 for both public and nonpublic entities. We do not believe that the disclosure requirements are any less burdensome for public entities than nonpublic entities.

Question 6: In addition to the deferral for nonpublic entities, should any of the provisions in this proposed Update be different for nonpublic entities (private companies and not-for-profit organizations)? If so, which provision(s) and why?

We do not believe that any of the provisions in this Proposed Update should be different for nonpublic entities.

Question 7: Do you believe that the proposed and existing XBRL elements are sufficient to meet the Securities and Exchange Commission's (SEC) requirements to provide financial statement information in the XBRL interactive data format? If not, please explain why.

We believe that the amendments to the XBRL elements arising from the Proposed Update are sufficient to provide the necessary information in the XBRL interactive data format.