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October 26, 2010

Technical Director  
Financial Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116  
[director@FASB.org](mailto:director@FASB.org)

File Reference No. 1860-100

Dear Sir or Madam:

The Mechanical Contractors Association of Western Washington (MCAWW) appreciates the opportunity to provide its views to the Financial Accounting Standards Board (FASB or Board) on the proposed Accounting Standards Update *Compensation – Retirement Benefits – Multiemployer Plans (Subtopic 715-80): Disclosure about Employer’s Participation in a Multiemployer Plan*.

MCAWW is a professional trade association representing contractors in mechanical construction, installation of heating, ventilating, air conditioning, and process piping work. The association consists of nearly 5,000 union mechanical contracting firms that employ nearly fifty union members.

Like the board, the members of MCAWW support improved transparency in financial reporting. We believe this can be accomplished by disclosing the status of the multiemployer plan(s) in which the contractor participates and the level of participation or current contributions by the contractor. This information would be sufficient to improve financial reporting in this area.

In consideration of the remaining proposed disclosures we do not believe they improve transparency in financial reporting and therefore should not be adopted. We note that many contractors participate in multiple plans and that the volume of disclosure for each plan would be sizeable without a corresponding benefit to users of the financial statements.

In addition to our objections related to adding to the volume of note disclosures without adding benefit we believe the recommended disclosure related to estimated withdrawal liabilities to be objectionable for the following reasons:

1. Disclosure of a withdrawal liability would be misleading to financial statement users given that no triggering event has occurred that enables an accurate estimate of the



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ultimate liability if any. Although an expert in multi-employer benefit plans may understand the limitations of any estimate we believe there is a significant risk that users will misunderstand the disclosure and the numerous estimates embedded in it and inaccurately evaluate the strength of our member contractors. As many respondents have noted the ultimate liability is dependent on numerous estimates and future events that will dramatically impact the liability if any. These events could include changes in benefits that are collectively bargained for, increased/decreased employer participation or improved investment performance to name just a few.

2. Most multiemployer benefit plans are ill equipped to provide a calculation/estimate of liabilities by individual participating organization. We believe obtaining this information will delay timely financial reporting and will be costly.

To achieve a goal of improved transparency of employer participation in a multiemployer plan, we urge you to consider other alternatives that provide quantitative information to the financial statement user. The cost to the employers and to the plans to respond to the disclosure as outlined in the draft will actually reduce benefits to the participants in the plans. We are available to participate in any resulting workshops to explore more practical alternatives.

Sincerely,

**Mechanical Contractors Association  
of Western Washington**

A handwritten signature in blue ink that reads "Ed Kommers". The signature is written in a cursive style and extends to the right with a long horizontal stroke.

Ed Kommers, P.E.  
Executive Director