

From: [Robert R. Cubberley](#)
To: [Director - FASB](#)
Cc: [Franklin P. Holleran](#)
Subject: File Reference No. 1860-100
Date: Monday, November 01, 2010 2:57:30 PM

Dear Sir,

We are writing regarding Topic 450, "Disclosure of Certain Loss Contingencies" and Topic 715-80, "Exposure Draft on Compensation-Retirement Benefits-Multiemployer Plans."

As a multi-union construction contractor, we have several concerns with the proposals, as follows:

- We support FASB's goal of maintaining transparency and establishing high accounting standards, but we are **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 to 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-terms 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.
- **We believe 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.

Both of these proposals have serious, even catastrophic implications for those participating in multiemployer defined benefit pension plans.

Please take this into consideration.

Sincerely,

Robert R. Cubberley

CFO

H. B. Frazer Co.