



November 1, 2010

Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Via Email to director@fasb.org

Audit • Tax • Advisory

Grant Thornton LLP
175 W Jackson Boulevard, 20th Floor
Chicago, IL 60604-2687

T 312.856.0200
F 312.565.4719
www.GrantThornton.com

Re: File Reference No. 1860-100

Grant Thornton LLP appreciates the opportunity to comment on Proposed Accounting Standards Update (ASU), *Disclosure about an Employer's Participation in a Multiemployer Plan*. We support the Board's decision to require additional disclosure about multiemployer plans under certain circumstances. However, as further explained in our responses to the questions for respondents, we believe that many of the proposed disclosures would not always be relevant for the users of financial statements or justify the costs of providing the information to either the reporting entity or the participants of the plans. We also do not believe that the proposed effective date is practicable given that the final standard will not be issued until late in the year.

Below we have provided general comments on the proposed ASU, as well as responses to the specific questions in the proposal.

General comments

In our view, some of the required disclosures would be better articulated as indicators of when an entity would need to supplement the required disclosures with additional information. We believe that a reporting entity should consider factors such as the following when determining whether additional disclosure would be appropriate:

- The significance of the reporting entity as a plan participant, such as the percentage of its employee participants to total plan participants
- The significance of participation by the entity in multiemployer plans, such as the percentage of the entity's employees that are participants in a multiemployer plan
- Whether the employer is or is not represented on the board of trustees of the plan(s) or a similar body
- The existence of any funding improvement plan(s) or rehabilitation plan(s), including the expected effects on the employer
- Whether a plan is in a regulatory warning zone

In those situations where the facts and circumstances indicate that additional information could be relevant to users of the financial statements, it may be appropriate to provide additional disclosures. We believe that disclosure should be based on an objective that would neither require unnecessary disclosure nor limit provision of relevant information. However we believe that generally the disclosure could be limited to information about the extent of the employer's involvement with the plan, and the total assets and the accumulated benefit obligation of the plan(s), if obtainable, as of the most recent financial statement plan year-end and, for comparability, those amounts for the corresponding prior periods. An estimated withdrawal liability should be required only when withdrawal is reasonably possible.

Responses to the Board's specific questions in the proposed ASU

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?

While the proposed disclosures would improve transparency, the usefulness of the disclosures is subject to debate. In order to be useful, the information must be relevant, that is, capable of making a difference in the decisions made by users. We do not believe that the proposal has demonstrated how the proposed required disclosures would meet the criteria for relevance unless the reporting entity is a significant participant in the plan, or the contributions to a multiemployer plan by a reporting entity are significant. In addition, the proposed disclosure of a withdrawal liability would not be relevant unless there is reasonable possibility of withdrawal.

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?

In situations where it is not at least reasonably possible that an event will occur, we do not believe that the costs of providing the requested information would justify the benefits to users. Users are interested in information that will assist them in assessing the reporting entity's prospects for future cash flows. To assess an entity's prospects for future net cash inflows, existing and potential investors, lenders, and other creditors need information about the resources of the entity, claims against the entity, and how efficiently and effectively the entity's management and governing board have discharged their responsibilities to use the entity's resources. We do not believe that a reasonable assessment of future cash flows would include amounts that are not claims against the entity and are not reasonably likely to become claims against the entity. In addition, we do not believe that assembling the information would be a prudent use of management's time and resources.

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?

Many of the costs would fall upon the multiemployer plan that would be required to prepare more information, sooner than is currently required to meet existing reporting requirements, that does not appear to provide any benefit to the plan participants, nor to the users of the employers' financial statements.

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 do not agree with issuance of the Update in its current form. If the Update is issued in its current form, the effective date should be delayed for a year in order to allow time for the plans to prepare to provide the required information to employers. We do not believe that it would be feasible to do so for fiscal years ending after December 15, 2010, and therefore suggest that any final Update be effective for fiscal years ending after December 15, 2011.

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.

If the Board decides to proceed with the effective date as proposed, we believe the deferral is necessary for nonpublic entities. If the Board were to proceed with an effective date of fiscal years ending after December 15, 2011, we do not believe a deferral for nonpublic entities would be necessary.

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 believe that private companies and not-for-profit entities could provide the limited disclosures that we believe would be relevant for the users of financial statements. If the Board decided to proceed with the current proposal, we do not believe that all of the proposed disclosures would be relevant to most users of nonpublic entity financial statements. Multiemployer plans at not-for-profit organizations, for example, have an entirely different economic substance and we do not believe that the users of the financial statements of those entities would find most of the information relevant or cost beneficial. We do believe that all entities, under certain circumstances, should provide additional disclosure about the reporting entity's involvement with the plan and its condition. All entities should also disclose a potential withdrawal liability if withdrawal is reasonably possible.

We would be pleased to discuss our comments with you. If you have any questions, please contact John Hepp, Partner – Accounting Principles Consulting Group, at 312.602.8050 or John.Hepp@gt.com.

Sincerely,

/s/ Grant Thornton LLP