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November 1, 2010

VIA EMAIL TO: director@FASB.org

Technical Director Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06586-5116

Re: File Reference No. 1860-100

Compensation—Retirement Benefits— Multiemployer Plans (Subtopic 715-80)

Dear Technical Director:

The following comments are submitted on behalf of SUPERVALU Inc. in response to the Financial Accounting Standards Board ("FASB" or the "Board") Proposed Accounting Standards Update, Compensation – Retirement Benefits – Multiemployer Plans (Subtopic 715-80), Disclosure about an Employer's Participation in a Multiemployer Plan (the "Exposure Draft").

GENERAL BACKGROUND

SUPERVALU Inc. is a publicly traded, Fortune 100 company in the grocery retailing and supply chain industries. SUPERVALU operates approximately 2,500 food and food/drug combination stores, 900 in-store pharmacies, 120 fuel centers, and services approximately 5,000 grocery retail stores in total. SUPERVALU employs over 150,000 individuals across the United States and has approximately 236 collective bargaining agreements. In accordance with a portion of these agreements, SUPERVALU contributes to thirty-two (32) multiemployer defined benefit pension plans on behalf of approximately 55,000 associates.

STATEMENT OF POSITION

SUPERVALU understands the Board's objective of increasing meaningful, transparent disclosure regarding an employer's participation in a multiemployer plan. Such disclosure, if appropriately designed, may lead to an enhanced understanding of the financial position of the contributing employer. For the reasons set forth below, however, SUPERVALU does not believe the Exposure Draft accomplishes this objective.

The Exposure Draft requires too much information that is either misleading or not particularly relevant in assessing the financial position of an employer who participates in one or more multiemployer plans. The disclosures would also impose an undue expense and require significant speculation or conjecture on the part of the employer. If the Board moves forward with implementation, SUPERVALU submits that the following issues must first be addressed.

I. The Proposed Effective Date Does Not Allow Sufficient Time For Compliance.

The proposed effective date of the final amendment fails to account for the significant operational issues imposed by implementation. A large amount of the required information resides with the multiemployer plans, many of which are not currently capable of collecting and providing the required information. Similarly, many employers may not have procedures in place to collect the information and would likely need additional time to create them. To that end, after receiving the final amendments from FASB, employers will need adequate time to work both internally and with the plans in an effort to collect, verify, evaluate, and audit the information before reporting it in an understandable way. This is a significant task, and the proposed effective date does not allow sufficient time for compliance.

Accordingly, SUPERVALU proposes that implementation be postponed for both public and non-public entities by at least one year (until fiscal years ending after December 15, 2011 for public entities and until fiscal years ending after December 15, 2012 for non-public entities). This postponement would allow sufficient time for both employers and plans to prepare for and comply with the new disclosure requirements.

II. The Board Has Not Allowed Sufficient Time for Consideration of Alternatives.

Identifying the best method to increase the meaningful and transparent disclosure of an employer's liabilities to a multiemployer plan is a significant and complex issue. For the reasons set forth in this letter, as well the numerous comments already submitted, the proposed requirements are flawed and should be modified significantly.

The current effective date does not give the Board sufficient time to analyze and address these flaws, nor does it provide stakeholders the opportunity to participate in the reformulation process once the issues have been refined. The Board should delay implementation to allow further interaction with stakeholders regarding the appropriate disclosures.

III. Disclosure of Withdrawal Liability Does Not Accomplish the Board's Objective.

The Exposure Draft effectively treats estimated withdrawal liability as synonymous with the employer's true liability to the multiemployer plans. However, this is simply not true. Absent a probable withdrawal, the disclosure of withdrawal liability is not meaningful and provides little to no benefit to readers of financial statements.

Estimated withdrawal liability is a misleading indicator of what an employer would actually pay if it were to withdraw from a multiemployer plan. Not only would the required calculation consume significant resources, but the resulting estimate would necessarily be a product of guesswork regarding future contribution trends and possible employer withdrawals. Moreover, the wide range in plan years and the methodology in determining

withdrawal liability by each plan would eliminate the reliability of comparisons. The disclosures would also fail to account for a number of factors (such as industry-specific rules, upfront payments, the 20-year cap, and bankruptcy priority rules) that could reduce or even eliminate the amount of withdrawal liability to be paid to the plan. Despite the Board's intent, this type of speculative reporting will not result in a useful and transparent disclosure of employer obligations to multiemployer plans.

In most accounting theory, financial statements do not recognize a liability until the amount is probable and estimable. We agree that a contributing employer who has elected to withdraw from a plan has met this threshold. However, those employers who have not triggered a withdrawal from a plan (or are not in the process of withdrawing from a plan) have not. Thus, they should not be required to manufacture a speculative estimate that would negatively distort the employers' financial position. Investors, lenders, and other readers of financial statements would almost certainly have difficulty recognizing that reported withdrawal liability is impossible to accurately predict and may never be realized.

In light of its relative value, it is also important to highlight the disproportionate burden that disclosure of withdrawal liability would place on contributing employers, particularly those that participate in a large number of plans. Withdrawal liability is not a readily ascertainable piece of information, and conducting the calculation requires an extensive amount of time and information. Employers may request estimates of withdrawal liability from the plans, but the costs incurred for such requests can be substantial and do not guarantee receipt of the information in a timely manner.

For these reasons, SUPERVALU urges the Board to remove estimated withdrawal liability from the proposed disclosures.

IV. Post-Retirement Medical Obligations Should Not Be Disclosed.

SUPERVALU contributes to over 31 multiemployer health and welfare plans, many of which provide benefits to both active employees and retirees. Most of these plans do not have a separate employer contribution for retirees, and others do not track retiree expenses separately. Consequently, accurately determining plan income and assets attributable to retirees may be impossible.

Most important, retiree health benefits are not vested and may be reduced or eliminated through collective bargaining without further liability. Disclosing liabilities associated with multiemployer health and welfare plans as though they are vested and cannot be reduced is misleading and overstates an employer's future obligations. As such, disclosure of these obligations is not appropriate and does not provide a meaningful benefit to financial statement users.

V. The Exposure Draft Requires Disclosure of Proprietary Information.

The Exposure Draft requires disclosure of a significant amount of information with respect to individual plans. For example, an employer must include the basis for determining contributions to the plan and the number of employees covered by the plan. This type of information is considered proprietary and could give competitors insight regarding labor costs and market trends. While this information comes at a high cost to employers, it provides very little relevant information to readers of financial statements. As an alternative, financial statement readers could obtain the relevant information by reviewing the employer's plan contributions and proportionate share of the overfunding or underfunding without jeopardizing the employer's proprietary information.

VI. Disclosures Relating to Plans in Warning Zones Require Improper Speculation.

For multiemployer plans in the regulatory warning zones, the Exposure Draft requires employers to disclose the warning status and all remedies being considered by the plan. While disclosure of the warning zones is appropriate, the disclosure as currently drafted necessarily requires speculation on the part of the employer, even if it has the power to appoint a plan trustee. Remedies being considered by the trustees, unless generally known through official plan communications, cannot be disclosed without potentially violating the trustee's fiduciary duty to the plan. As such, disclosures for plans in the regulatory warning zones should be limited to the remedies contained in the funding improvement or rehabilitation plan that has been formally adopted and executed by the employer.

SUGGESTED CHANGES

In the event the Board reformulates the required disclosures without the opportunity for additional comment, SUPERVALU offers the following suggestions for the Board's consideration.

I. Disclosures Should Be Based on Aggregate Information.

The Exposure Draft requires employers to disclose a significant amount of information relating to each individual multiemployer plan in which it participates. Much of this data is irrelevant to readers of financial statements unless considered in the aggregate along with the employer's other plans. By itemizing the information, readers might place undue weight upon participation in a single plan without considering the employer's position as a whole. It may also mislead the reader about the risks of the employer's participation in multiemployer plans.

Consequently, SUPERVALU believes all required disclosures should be reported in the aggregate. This will enable the provision of transparent and useful information without the

unneeded risk of confusing or misleading the reader. It will also avoid the unintended consequence of giving competitors access to proprietary information related to labor costs.

If the Board determines disclosures relating to individual plans are appropriate, SUPERVALU believes such disclosures should be limited to plans in which the employer comprises 70% or more of the total contributions. This will balance the issues raised above with the Board's desire to increase disclosures regarding plans in which a single employer bears the majority of the risks.

II. Disclosures Should Be Based on Readily Available Information.

Absent a probable withdrawal, the disclosure of withdrawal liability is not a meaningful measure of the employer's future obligations to the plan. As such, disclosure of this information is not appropriate unless required by FASB's current guidelines relating to the probability of withdrawal.

Instead, the Board should base the required disclosures on information that is readily available and currently maintained by contributing employers and the multiemployer plans, such as Form 5500's, annual funding reports, and any applicable rehabilitation plans. The information contained in these documents is clearly sufficient to capture the financial position of each plan and the potential liability of the contributing employers. This method would also minimize the expense and administrative burden placed on both the plans and the employers.

III. The Board Should Limit Reporting of Information from a Prior Period.

Depending on changes in funding, participation, and other factors, the financial position of a multiemployer plan may change dramatically from year to year. As such, older financial information from a plan is far less useful than new information to the readers of financial statements. Unless the Board places time parameters on the reporting period, SUPERVALU believes the integrity of the reported information will be compromised by mixed plan years and old data. To address this problem, SUPERVALU recommends disclosures should be based on data from between 21 months and 9 months preceding the date of the end of the fiscal year. Application of this time frame will coincide with the financial reporting obligations of multiemployer plans.

CONCLUSION

Thank you for the opportunity to comment on this important issue. Please do not hesitate to contact us if you have questions or would like additional information regarding SUPERVALU's comments to the Exposure Draft.

Sincerely,

Daniel Zvonek

Vice President and Controller

Michele Murphy

Senior Vice President, Corporate Human Resources and Labor Relations