



Mr. Russell Golden  
Technical Director  
Financial Accounting Standards Board  
301 Merritt 7  
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Norwalk, CT 06856-5116

director@fasb.org

November 1, 2010

**Re: File Reference: No. 1860-100 Disclosure about an Employer's Participation in a Multiemployer Plan**

Dear Mr. Golden,

Cupertino Electric Inc. (CEI) appreciates the opportunity to provide comments regarding the Disclosure about an Employer's Participation in a Multiemployer Plan. Since our founding in 1954, CEI has focused on providing sophisticated electrical infrastructure solutions for critical-use facilities and applications. We are a privately held company which currently employs more than 1,000 people, three-quarters of whom are skilled union workers.

**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?*

**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?*

No to both questions 1 and 2. CEI understands the need for greater transparency and to provide accurate information to end users to assist them in making informed decisions; however we are concerned with the potential for disclosing misleading and out-of-date information to our banks, vendors, customers, and insurance providers. Sophisticated users of our financial statements have told us that they would place little to no value on this information due to (1) the amounts reported are at best based on a multitude of variables that can only be "guesstimated" and (2) any such amounts will be out of date by the time they are included in the financial statements due to the volatile nature of the investment market which has a significant impact on the performance of these benefit funds. The potential for misinterpretation of the disclosures by unsophisticated users of our financial statements could have significant negative impacts on our relationships with those users and in turn on our business. We suggest that disclosures be required only when withdrawal is "probable". We contend that to require disclosure when there is no intention or likelihood of withdrawal is at best misleading and at worst could have seriously negative impacts for both the construction industry and its union labor force.

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**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?*

CEI has remitted benefit contributions to twenty-seven domestic unions in the past twelve months. NECA, the National Electrical Contractors Association, has estimated that it could cost its member contractors "\$1,200 per withdrawal liability valuation, and this would appear to be on the low end when estimates for other valuations range from several thousands of dollars to those exceeding ten-thousand dollars." In addition to this cost, the internal and external resources that would be required for us to validate withdrawal liabilities for financial statement purposes each year would pose a significant financial burden with no commensurate benefit.

**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 urge the Board to not adopt these standards, but if the decision to adopt is made, we agree with deferral for non-public 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?*

Most privately held companies have close relationships with their investors, banks, vendors, customers, and insurance providers. As stated earlier, we have polled the users of our financial statements and they have told us that they would place little to no value on these disclosures. We believe that these standards should be adopted for neither non-public nor public entities. However, should the Board decide to adopt these standards, we believe that non-public entities should be excluded from these provisions, due to the significant cost of compliance in exchange for minimal to no perceived value by the users of our financial statements.

Thank you for the opportunity to comment and your consideration of our views.

Sincerely,

A handwritten signature in blue ink that reads "Marjorie A. Goss". The signature is written in a cursive, flowing style.

Marjorie A. Goss  
Chief Financial Officer and Treasurer