October 29, 2010

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

Submitted via e-mail: director@fasb.org

Re: File Reference No. 1860-100
Disclosures about an Employer’s Participation in a Multiemployer Plan

To The Technical Director:

At the request of the Financial Accounting Standards Board, and as a service for a number of our clientele, we are responding with comments relating to the Exposure Draft titled Disclosures about an Employer’s Participation in a Multiemployer Plan (“Exposure Draft”) issued on September 1, 2010. We appreciate the opportunity to share our views on this issue.

Frush & Associates, Inc. is a certified public accounting firm serving as independent auditors for numerous defined benefit multiemployer pension plans. We have a long history of assisting these plans with their financial reporting obligations. The following comments and opinions relate to our beliefs on the potential disadvantages the Exposure Draft would have on participating employers and organizations in these plans.

As the financial statement reporting process has become more complex in recent years, the fundamental understanding of these financial statements and their contents has become an important area in need of discussion and clarification. We applaud, and support, the efforts of the FASB and other organizations on their efforts to create transparency, and attempting to enhance the financial statement user’s understanding of the contents of the financial statements. However, we disagree on the proposed methods of accomplishing such transparency as defined in the Exposure Draft.

Technical Director
Financial Accounting Standards Board
October 29, 2010
Page 2

FASB 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?

We do not believe that the proposed disclosures will provide more useful and
transparent information to the financial statement user. In fact, we believe that these
disclosures would be detrimental to those users, providing them with misleading
information that is hypothetical instead of actual and determinable.

Contingent disclosures in a financial statement are those that are both probable and can
be reasonably estimated. Under the proposed changes in the Exposure Draft, some
employers would have to disclose certain amounts using hypothetical situations, such
as withdrawal from the plan, whether probable or not. While we agree that there may
be instances where these disclosures would be appropriate for employers in financial
distress who may have actual intentions of withdrawing from a plan, those employers
who have no impending need, or intention, of withdrawing from the plan should not be
required to report potentially harmful disclosures that do not properly reflect the financial
status of their companies.

The major intent of a financial statement is to provide the user with relevant information
to make an informed decision about the financial status of the reporting entity. If
hypothetical situations are to be required for disclosure purposes, the financial
statement will no longer become a reliable method of reporting the operations of a
reporting entity. In addition, most employer participants in multiemployer plans submit
their financial statements to lenders, bonding companies and other financial service
providers for the purposes of acquiring financing, bonding and surety arrangements.
The addition of the disclosures required in this Exposure Draft, whether probable or not,
would severely inhibit the ability of the employers to obtain the necessary financing or
surety arrangements to sustain their operations.

FASB 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?

We believe that in instances where the reporting entity has had a material change in
their operations which would necessitate the disclosure of a contingent liability for a
probable withdrawal, the estimated amount of the withdrawal should be disclosed in the
financial statement, consistent with current accounting practices. However, those
reporting entities that consider withdrawal as either not probable or remote should not
be required to use their resources to arrive at an estimated amount based on
hypothetical and discretionary factors.

Technical Director
Financial Accounting Standards Board
October 29, 2010
Page 3

FASB Question 3 – What implementation costs, if any, will an employer face in applying the proposed disclosures?

The implementation costs involved in applying the proposed disclosures could be significant. Those costs would include additional fees from the areas of actuarial services, plan administrative activities, external independent auditors, legal services and internal accounting costs. These costs combined could add up to a material amount of additional operational and administrative costs.

FASB Question 5 – Do you agree with the Board’s intention to defer the effective date for nonpublic entities for one year?

We agree with the Board’s intention to defer the effective date for one year, and would propose extending that effective date for nonpublic entities to two years, beginning with fiscal years ending after December 15, 2012. This would allow employers enough time to make informed decisions about the applicability of the proposed disclosures to their organizations.

In conclusion, we support the FASB in their efforts to promote transparency and better understanding of the financial statement process. However, we believe there are more effective methods in which to accomplish these goals.

We appreciate the opportunity to comment on the proposed disclosures in the Exposure Draft. The preceding comments were intended to provide a brief description of our disagreements with the proposed changes and are not a complete summary of our beliefs. Please contact us at any time if additional comments or explanations are needed.

Sincerely,

Frush & Associates, Inc.
Certified Public Accountants