April 17, 2006

Dear Technical Director:

This is a comment on the Exposure Draft entitled “Proposed Statement of Financial Accounting Standards” issued on March 31, 2006 by the Financial Accounting Standards Board (FASB).

Our Firm is general counsel to the Sheet Metal and Air Conditioning Contractors’ National Association that represents thousands of sheet metal contractors throughout the country. All of the members of SMACNA are union contractors and most are signatory to collective bargaining agreements, providing for contributions to multiemployer defined benefit pension plans.

The term “multiemployer pension plan” is only used once in the Exposure Draft. On page 95, it was stated that the guidance offered in EITF Issue 90-3 is either outside the scope of the Statement or unaffected by the Statement.

In FAS 87, the reporting requirements for employers who contribute to multiemployer defined benefit pension plans was limited to disclosing, as net pension costs, the required contribution for the period and to recognize as a liability any contributions due and unpaid (paragraph 68). In addition, paragraph 69 required that an employer that participates in one or more multiemployer plans shall disclose the following information separately from disclosures for a single employer plan:

(a) A description of the multiemployer plan, including the employee groups covered, the type of benefits provided (defined benefit or defined
contribution), and the nature and effect of significant matters affecting comparability of information for all periods presented.

(b) The amount of cost recognized during the period. This was further clarified by EITF Abstract Issue No. 90-3.

It is clear from reading the Exposure Draft, that it was not intended to change any of the standards in FAS 87, with respect to reporting requirements for employers who contribute to multiemployer plans. However, to make it perfectly clear, there should be a statement somewhere in the final draft that affirmatively states that the changes being made do not apply to disclosures required of employers who contribute to multiemployer defined benefit pension plans. The rationale for those requirements in FAS 87, as described in FAS 87, remains unchanged. The rationale was described in paragraphs 242 – 246.

If you have any comments or need further information regarding our comment, please contact the undersigned. Thank you.

Yours very truly,

William K. Ecklund

rcp
cc: John Sroka