May 30, 2006

Technical Director – File Reference No. 1025-300
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

Dear FASB Board Members and Staff:

We are pleased to have this opportunity to provide our comments on the Exposure Draft “Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans.”

While we support improvements in the area of accounting and disclosure for these plans, we have concerns regarding several of the provisions contained in the Exposure Draft.

Measurement Date

It appears to us to be incongruous to eliminate the provision that allows for use of a measurement date within three months of the fiscal year-end while adding significantly to the year-end accounting requirements. The current measurement date supports disclosure (as well as minimum pension liabilities which do not affect many financial statement preparers and can be reasonably well anticipated). Under the provisions of the proposed standard, all entities with affected plans would be required to record and tax effect entries that would affect reported results.

We currently use a measurement date in advance of our fiscal year-end for one of our foreign pension plans, but would likely consider moving the measurement date of our other foreign plan and at least some of our domestic plans to the same date in order to be able to effectively address the provisions of the proposed standard.

In the event a plan experienced a settlement or curtailment during the period between the measurement date and the fiscal year-end, the effects of such an event could be applied to adjust the measurement date valuation.

Given the subjectivity inherent in the valuation of these benefit plans, we do not see how any reduction of representational faithfulness that might result from use of a measurement date that is earlier than the fiscal year-end is not more than offset by the ability to report information that has been thoroughly vetted.

Unrecognized Transition Assets and Obligations

We do not believe that there is any reason to treat a remaining unrecognized transition asset or obligation differently from other unrecognized prior service costs. It seems inconsistent and
unnecessarily complex to change the income statement recognition for this component while deferring any other changes to the next phase of this project.

Given that one of the stated objectives of the Statement is to "not change how net periodic benefit cost is recognized," we see no reason to change the income statement accounting for remaining unrecognized transition assets and obligations. If there is to be a change to the accounting for unrecognized transition assets and obligations, it should be done as part of the second phase of this project.

Measurement of Balance Sheet Liability

We do not believe that use of the Projected Benefit Obligation (PBO) is the appropriate measure for purposes of recognizing a liability on the balance sheet. The inclusion of anticipated future compensation increases, which will presumably be recovered through future pricing increases and/or productivity improvements, does not appear to be meaningfully reflected currently as a liability. We do not believe that a liability measured utilizing projected future compensation increases meets the conceptual definition of a liability. The Accumulated Benefit Obligation (ABO) appears to us to be a more appropriate measure of the pension liability that should be recognized on the balance sheet.

Effective Date

We have some concerns about the practicability of requiring calendar year financial statement preparers to adopt the provisions of a final standard that is not issued until late in the third quarter. An effective date that would defer implementation until 2007 for calendar year financial statement preparers seems more reasonable. This would allow entities to adjust funding plans if they so desired and time to develop and implement an effective well-controlled plan to implement the standard (including the role of actuaries, plan administrators, trustees, investment managers, etc.).

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We appreciate the opportunity to provide our comments on this Exposure Draft. If you have any questions, please feel free to contact either of the undersigned at 828-324-2200 or Robert Granow, Financial Reporting Manager, at 828-431-2566.

Sincerely,

[Signatures]

Jearld L. Leonhardt
Executive Vice President and
Chief Financial Officer

William R. Gooden
Senior Vice President and Controller