

October 27, 2010

To: Technical Director
File Reference No. 1860-100
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Re: Changing Disclosure Rules for Multi-Employer Plans

Dear Sir or Madam,

On behalf of the Northern NY Chapter of the National Electrical Contractor Association (NECA), I appreciate the opportunity to submit comments on proposals Topic 450 and 715-80.

In topic 450 proposal the "Disclosure of Certain Loss Contingencies" defines under what conditions an employer would need to disclose information relative to the potential withdrawal liability assessments on financial statements.

The Signatory Contractors within our Jurisdiction believe that withdrawal liability should only be disclosed when it has been incurred. The major problem with this proposal is the complete disregard of the unique rules on incurring liability under construction industry multiemployer pension plans. The potential liability is merely speculative and not actually incurred. These changes pose a threat to the contractor's financial statements reporting misleading information. Banks, sureties, and other users of the employer's bank statements can be turned off by the misleading information. This proposal could be detriment to our Employer's in their ability to get a bond, loan, or a line of credit to obtain work and keep electricians employed.

The second proposal, Topic 715-80, the "Exposure Draft on Compensation-Retirement Benefits-Multiemployer Plans" is a dramatic expansion of the reporting requirements that employers contributing to multiemployer pension plans will need to disclose.

Withdrawal liability assessments can be misleading because they represent an educated guess at that current moment in time. It fails to reflect long-term factors affecting plan funding such as fluctuating stock market returns. These assessments can be expensive and will be an administrative burden. It is unlikely that an employer will cease contributing to a defined benefit plan and actually incur a withdrawal liability. These proposals represent an unnecessary restriction on the use of capital and an investment opportunity lost for the construction industry.

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Our Organization recognizes the need for greater transparency and to provide accurate information to end users to assist them in making informed decision. It is a concern disclosing misleading and out-of-date information to creditors could cause them to avoid providing loans and lines of credit to financially sound companies in need of capital to obtain work.

Sincerely,

Martin J Sullivan Executive Director NECA Northern NY Chapter

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