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1860-100 Comment Letter No. 176 EMCOR Group, Inc. 301 Merritt Seven • 6th Floor Norwalk, CT 06851 Phone 203.849,7999

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

Hand delivered and submitted via email to: director@fasb.org

Re: File Reference No. 1860-100 - Proposed Accounting Standards Update - Compensation - Retirement Benefits - Multiemployer Plans (Subtopic 715-80), Disclosure about an Employer's Participation in a Multiemployer Plan

Dear Sir/Madam:

We appreciate the opportunity to respond to the Financial Accounting Standards Board's (FASB) Proposed Accounting Standards Update (the "Proposed ASU"), Exposure Draft on Compensation - Retirement Benefits - Multiemployer Plans (Subtopic 715-80), Disclosure about an Employer's Participation in a Multiemployer Plan. EMCOR Group, Inc. is one of the largest electrical and mechanical construction and facilities services firms in the United States, Canada and the United Kingdom. In 2009, we had revenues of approximately \$5.5 billion and assets of approximately \$3.0 billion. We provide services to a broad range of commercial, industrial, utility and institutional customers through approximately 75 operating subsidiaries. We are a publicly traded company listed on the New York Stock Exchange under the symbol EME.

We, through our wholly owned subsidiaries, are currently signatories to over 400 union collective bargaining agreements ("CBAs") with local chapters of unions throughout the United States and approximately 48 CBAs in Canada. A majority of these CBAs require that we make contributions to the applicable union's local multiemployer pension and retirement plans (collectively "Multiemployer Plans") and in some instances to national multiemployer plans. Typically, the amount of contributions we make to these Multiemployer Plans are based upon the number of hours each of our unionized employees have worked during the previous pay period, which is usually weekly.



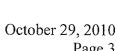
We believe that the proposed standard is not necessary and/or operational as: (a) it requires disclosure of withdrawal liabilities that are not probable, (b) it requires the disclosure of information which is not reasonably and/or readily available to contributing companies prior to reporting deadlines and which may be out of date at the time of inclusion, (c) the disclosure requirements, as currently proposed in the exposure draft, potentially would add numerous pages of information concerning our participation in various Multiemployer Plans and when taken in its entirety by the user of the financial statements could find the disclosure confusing and/or misleading making the entire disclosure unusable and (d) the information may not be verifiable by us or auditable by the external auditors. Furthermore, we also request that the FASB provide clarification on how the Proposed ASU would apply to foreign multiemployer plans where little or no information may be available or be required to be provided to a contributing company.

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 obligation arising from its participation in a multiemployer plan? Why or why not? If not, what changes would you suggest to the proposed amendments?

We do not agree that the proposed quantitative and qualitative disclosures will result in a more useful and transparent disclosure of an employer's obligation arising from its participation in Multiemployer Plans. In fact, we believe that the quantitative information that is being proposed to be disclosed will be misleading to the financial statement user as: (a) most of the information will be over a year old when the contributing companies' financial statements are issued and (b) numerous assumptions will be needed to be made to calculate the future contribution level as it is not actuarially determined. In addition, the qualitative disclosure as currently proposed would add numerous pages of information, and when taken in its entirety by the user of the financial statements, will be confusing and/or misleading making the entire disclosure unusable.

Even if such information is provided to a contributing company, the information generally would not be current or accurate as the calculations contemplated to be disclosed could be at least a year old and would not be relevant to the current year end inasmuch as the withdrawal liability varies from year to year, and material events could have transpired that would affect both the value of Multiemployer Plan's assets and the actuarial valuation, both of which are very sensitive to changes in interest rates, capital markets and other assumptions used in the valuation. In addition, any information disclosed by a contributing company may lack comparability due to different Multiemployer Plans' year-ends and assumptions utilized in the actuarial valuations. Comparability may be further skewed by the fact that Multiemployer Plans within the same geographic area or industry may have different assumptions as determined by their respective trustees. The trustees of the respective Multiemployer Plans set the assumptions and contributing companies have no input on the assumption setting process.

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Moreover, the estimate of future contributions (which is not a fixed obligation) would require making numerous assumptions including, but not limited to: (a) future projects that may or may not be in current contract backlog, (b) the crew mix and number of union members employed by the contributing company on those projects and (c) an estimate of the hours to be worked by such employee, and these estimates could change dramatically throughout the year.

Additionally, we request that the FASB provide clarification on the following topics if it decides to proceed with the Proposed ASU: (a) explain how the FASB is using the term material in the Proposed ASU (i.e.: is material referring to the plan or to the contributing company?) and (b) clarify whether we should consider the construction industry exception in applying the standard.

In a practical sense, if the Proposed ASU is adopted as is, the ASU is not operational for a contributing company that contributes to more than a few Multiemployer Plans. In our case, we participate in hundreds of plans. The disclosures that are being proposed from both a qualitative and quantitative perspective are onerous, overly detailed and potentially will add numerous pages to a footnote disclosure making this disclosure the longest disclosure in the financial statements, overly complicated and unusable from a user's perspective.

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?

We do not believe that disclosing the estimated amount of a withdrawal liability, even when a withdrawal is not probable, provides the users of financial statements with decision-useful information. Disclosure of withdrawal liability estimates in such cases may mislead readers of financial statements because such disclosure is required even when the likelihood of it actually being incurred is quite small, either because the contributing company has no intention of doing anything resulting in a withdrawal liability or because special industry rules, such as the construction industry exception, precludes the contributing company from incurring the liability except in rare circumstances. Therefore, the obligation to make the disclosure (and possibly record the liability) should only be required under circumstances when a contributing company has the intention of withdrawing or has withdrawn from a Multiemployer Plan.

In addition, as discussed above, the disclosure of the withdrawal liability could be at least a year old making the disclosure stale and unusable to any user of the financial statements.

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?



In our case, the implementation costs would be significant, and may involve adding staff just to comply with the Proposed ASU. These ongoing costs include the time and effort to: (a) compile the population of the local and/or national Multiemployer Plans, (b) attempt to determine whether the construction exception applies to the Multiemployer Plans, (c) ascertain all of the information needed for the proposed disclosure, (d) review and take ownership of all of the information provided by the plans, which potentially could require a dialogue with the Multiemployer Plan(s) and (e) prepare the required disclosure and support.

It is unclear as to what processes, and therefore costs, a contributing company would need to incur to ensure the accuracy of, and the processes around the information being supplied by the Multiemployer Plans. Additionally, in our case, there would be a significant increase in our audit costs and other professional fees, such as attorneys and actuaries around this proposed disclosure.

In assessing the withdrawal liability, we do not believe that auditors will be able to audit the calculation of the liability and the respective actuarial valuations related thereto, including assumptions made by the trustees of the Multiemployer Plan who may have no relationship with the contributing company. Under the current Statement of Auditing Standards (SAS), the auditors will need to perform procedures around the actuary (who is deemed a third party specialist and is employed by the respective Multiemployer Plan and not by the contributing company) performing the actuarial valuation, which such valuation is the basis for calculating the withdrawal liability, so that the auditors can place reliance on the valuation. Because the census data and other information, such as the Multiemployer Plan assumptions, used by the actuaries in developing the valuation is emanating from the Multiemployer Plan, the auditors will need to gain comfort around the policies and procedures of such Multiemployer Plan to ensure the accuracy and integrity of the data being used. Such audit procedures, which include the testing of plan assumptions and plan participant data (census testing), can be cumbersome as it relates to a company's single employer plan where a company has complete control. Under Multiemployer Plans where control by the contributing company does not exist, facilitating required audit procedures and requests in a timely manner is not practical, particularly where the underlying Multiemployer Plan has no incentive to cooperate or comply with the requests of the contributing company. Further complicating the audit landscape is the need for the auditor to test internal controls over financial reporting that would include input/output controls around communication amongst the actuary, the Multiemployer Plan and the contributing company. In order to evidence controls at the Multiemployer Plan, would there be a requirement for Multiemployer Plans to provide the contributing company and therefore, the auditor a SAS 70 type report? Such controls from a SOX 404 perspective (many of which heretofore have not been required to be in place) will need to be first, put in place, next, tested by management and finally. tested by the external auditor. Such steps highlight the impracticality of the current exposure draft and in particular the proposed effective date.



In addition, since the future contribution level is not an actuarially determined figure, as is the case with a single employer plan, how will the auditor audit the calculation and the assumptions that were used to calculate the figure, which is analogous to auditing our forecast or future guidance?

Additionally, the Multiemployer Plans will also incur significant additional costs in complying with the Proposed ASU as currently written. These additional costs include: (a) increased staffing to respond to the inquiries from both contributing companies and their auditors in a timely manner and (b) increased professional fees from both actuaries, accountants and possibly attorneys in dealing with the issues that will arise from the inquires from the parties mentioned above. I suspect that these additional costs will ultimately be borne by the contributing companies and not by the Multiemployer Plans and will result in a fee being charged to the requesting contributing company for these requests and follow up inquiries, and/or the additional costs could also factor into the new CBA negotiated between the union and contributing companies, potentially making the union company even more competitively disadvantaged against its non-union competitors in the future.

Question 4: The Board plans to require that the amendments in the final Update be effective for public entities for fiscal years ending after December 15, 2010. Are there any significant operational issues that the Board should consider in determining the appropriate effective date for the final amendments?

If the Proposed ASU is adopted as currently proposed, the proposed effective date is not practical due to the extensive efforts needed to obtain, evaluate and audit the information required under the standard, including information required under the Proposed ASU regarding both domestic and foreign Multiemployer Plans, none of which is readily available or in the control of the contributing company and therefore, is not obtainable in a timely manner. Overall, the information required does not currently reside in a contributing company's accounting system making the implementation timetable impossible.

Despite the fact that the Employee Retirement Income Security Act ("ERISA") requires that certain information be made available to a contributing company upon request, the Multiemployer Plans have up to 180 days to respond to such a request depending on the nature of it. That being said, a contributing company's respective share of any withdrawal liability is not readily available from the Multiemployer Plans. In fact, the individual withdrawal liability of a contributing company is not regularly calculated by Multiemployer Plans. It has been our consistent experience that Multiemployer Plans are reluctant to provide such information and lack the resources to respond to such requests on a timely basis, as the withdrawal liability calculation is a complex actuarial calculation based upon numerous facts and circumstances. In order to comply with such requests, Multiemployer Plans would need to hire additional staff and professionals. When we have made such inquires in the past including, but not limited to: (a)



asking for plan documents, (b) asking whether the Multiemployer Plan allows the construction industry exception and/or (c) requesting a calculation of our potential withdrawal liability, it has been our experience that responses are slow in forth coming, if ever. Such delays would render timely financial reporting in compliance with the rules of the U.S. Securities and Exchange Commission not possible.

In fact, the exposure draft on the Proposed ASU was released for public comment on September 1, 2010 outlining the FASB's proposal on what disclosures would be required if the standard was adopted as is; however, even if the request to the various Multiemployer Plans was sent out that day, under ERISA § 101, the Multiemployer Plans have up to 180 days, or February 28, 2011, to respond to the request of the contributing company of its withdrawal liability, leaving virtually no time to compile, analyze and possibly challenge the information provided. Simply put, the disclosure requirements are not operational.

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.

No, nonpublic entities should not be granted a one-year deferral from any provisions of the Proposed ASU. Please refer to our response to Question 6 below.

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?

If the standard is adopted as currently proposed, nonpublic entities should not be exempt from any of the provisions of the Proposed ASU. If adopted, such disclosure should be imposed on both public and nonpublic entities; otherwise, there would be a lack of comparability between entities, and competition would be adversely affected.

On a significant portion of the construction projects on which competitive bids are required, the bidder must include financial statements. Many bidders are private companies and any exemption afforded private companies could put a public entity at a competitive disadvantage. Because in most instances, reviewers of the bids are not "seasoned" financial professionals, they may misperceive the disclosures in a public entity's financial statements as an indication of a derogation of the public entity's financial condition and/or bonding capacity when in fact nothing has changed at all. On the other hand, a nonpublic entity would not have to include the same level of disclosures and/or be granted a deferral for one year giving such companies an unfair advantage.



Further, any incremental cost by reason of adoption of the Proposed ASU that may be imposed on a public entity and not upon a nonpublic competitor puts the public entity at a competitive disadvantage in terms of pricing and costs.

Question 7: Do you believe that the proposed and existing XBRL elements are sufficient to meet the Securities and Exchange Commission's (SEC) requirements to provide financial statement information in the XBRL interactive data format? If not, please explain why.

Without a final standard, it is difficult to provide a meaningful response to the sufficiency of the proposed and existing changes to the taxonomy. However, in reviewing the Proposed ASU, it adds over 80 elements to the taxonomy, which may be indicative of the points previously made that the proposed disclosure is overly complicated and onerous in nature.

In conclusion, the Proposed ASU requires a significant amount of additional disclosure that we believe will actually confuse the user of the financial statements. Numerous revisions to the Proposed ASU are required to make it operational and auditable. As written, compliance by year-end would be near impossible and impractical, with little improvement to the information that financial statements users receive. We respectfully request: (a) that the foregoing issues be resolved and clarified prior to finalization of the Proposed ASU and (b) the opportunity to recomment on any revised draft(s). Thank you for your consideration and the opportunity to comment on the Proposed ASU.

Sincerely,

Mark A. Pompa

Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)