Texas Society of
Certified Public Accountants

1025-300

LETTER OF COMMENT NO. 140

May 31, 2006

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

RE: File Reference No. 1025-300

To Whom It May Concern:

One of the expressed goals of the Texas Society of Certified Public Accountants (TSCPA) is to speak on behalf of its members when such action is in the best interest of its members and serves the cause of Certified Public Accountants in Texas, as well as the public interest The TSCPA has established a Professional Standards Committee (PSC) to represent those interests on accounting and auditing matters.

We appreciate the opportunity to provide input into your deliberations on the Proposed FASB Statement *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*.

Our committee is basically in agreement with the guidance provided in this proposed statement and accordingly we support its issuance. However, we do have an issue related to implementation that we believe is worthy of your consideration.

We believe there are implementation issues that would make it difficult to complete the valuation as of the date of the financial statement. Such valuation requires considerable historical and forward looking information to be gathered together and delivered to a third-party actuary to accomplish the valuation. The actuary then reports back a range of values that must be reviewed and scrutinized by management. Under the guidance of the Sarbanes-Oxley Act, some external auditors require companies to perform the calculations of the third-party actuary a second time to ensure that adequate controls are in place For companies with multiple divisions, pension plans or human resource systems, the increase in calculations and judgments that must occur during the year-end closing process is quite significant.

We do not think this valuation is significantly different than other complex estimates and judgments such as goodwill impairment and self-insurance that allow valuations within 90 days of year-end. Further, we believe it is unlikely that the valuation would change materially within the 90-day period. We think allowing up to 90 days to prepare a good estimate is reasonable as long as management and the external auditors agree that it represents a reasonable estimate as of the financial statement date.

14651 Dallas Parkway, Suite 700 • Dallas, Texas 75254-7408 • 972/687-8500 • 800/428-0272 • Fax 972/687-8646

We appreciate the opportunity to provide our input into the standard setting process.

Sincerely,

Jeff Gregg

C. Jeff Gregg, CPA
Chair, Professional Standards Committee
Texas Society of Certified Public Accountants