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 To:
 Director - FASB

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Subject: (no subject)

Date: Wednesday, October 20, 2010 4:30:08 PM

To: Director@fasb.org

Re: File Reference No. 1860-100 (FASB 450 & FASB 715-80)

A- FASB 450 – "Disclosure of Certain Loss Contingencies"

Comment – I do not know how an accountant quantifies a "theoretical abstraction" rather than a certainty quantifiable event regarding multi employer defined benefit pension plans in the construction industry. Let me give an example of a controversial SOP that can be quantified and illustrated on an audit for health trust funds – This is SOP-92-6. The present value of the post retirement benefits owed by ahealth trust fund can be quantified if the actuarial date is collected and quantified. That is a real number but subject to change if the plan trustees have a "Firestone statement" in their plan allowing them to terminate or modify the plan of benefits at any point of time. Once modified, the actuary can then quantify a new number or if eliminated can enter the number of zero. The accountant can then quote the actuaries number in the audit.

FASB 450 is a theoretical number that can be quantified but is meaningless unless certain precedent conditions occur. These precedent conditions are:

- 1 The DB plan has withdrawal liability
- 2 Ignoring the Construction Industry exemption for multi employer withdrawal liability a construction contractor is not liable for withdrawal liability if he ceases activity in the marketplace where the liability exists or he if sells his enterprise to another participating enterprise.

In fact FASB 450 assumes every construction contractor will trigger withdrawal liability by changing to non-contributing employers operating in the same marketplace. This exercise in theory defies common sense. Accountants should quantify known and certain events rather than theoretical assumptions. Please do not adopt or reverse FASB 450.

B – FASB 715-80 – "Exposure Draft on Compensation-Retirement Benefits-Multi employer Plans".

Comment - I do not know where to begin with this exercise in theory. The above comments for 450 apply. Pension returns are a flowing river where quantification of data at one point in time can be quite misleading given the volatility of investments in the marketplace (stock/bond/real estate et al). By the time you quantify one data point at a certain period of time, one is ready to quantify the next data point for the next period of time. The nature of the construction multi employer business with "union hiring halls" does not fit the FASB assumption of what constitutes "an employee" or "a retiree" given the FASB bias toward thinking that everybody in the industry acts as a "single employer" with long time employees that are laid off and recalled. With contractually mandated union "hiring halls", many employees are transient in nature

going from project to project depending on whatever employer has the project. Therefore it would be extremely burdensome for an employer to quantify the percentage of the active and retired participants of the plan employed by the company.

The bottom line is that both FASB 450 & FASB 715-80 are a tremendous wasteful exercise of time and a costly paperwork burden. The numbers are theoretical numbers that will confuse a construction employer's surety bonding company for bonding capacity and banker for bank lines of credit. They will lower access to bonds and money for an employer. This will adversely impact the ability of an employer to get business in the marketplace thus lowering contributions to the Defined Benefit pension plan and aggravating the finances of the DB plan in a negative manner. In this respect FASB needs to quantify the negative impact upon DB pension plans of the new proposed standards and look in to the mirror and recite Walt Kelly's "Pogo doctrine" – "We have met the enemy and he is us."

In conclusion, please do not adopt FASB 450 & FASB 715-80.

Sincerely,

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