



Houston Sheet Metal Contractors Association

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October 21, 2010

Members

Airtronics, inc.

Applied Technology

Beard Mechanical

Blumenthal Sheet Metal Co.

Campo Sheet Metal Works, Inc.

Commercial Ventilation
Services

Dynamic Systems, Inc.

Garrett Mechanical

Gowan, Inc.

Partners Metal Fab

Performance Contracting, Inc.

Precisionaire of Texas

Prime Mechanical

Straus Systems, Ltd.

Valsamis

Technical Director

File reference 1860-100

Financial Accounting Standards Board

401 Merritt 7

P O Box 5116

Norwalk CT 06856-5116

RE: Compensation - Retirement Benefits - Multi-Employer plans
(Sub-topic 715-80)

Dear FASB Members:

We are writing to express the views of our Association in opposition to your proposal to require union signatory contractors to disclose their multi-employer pension plan funding withdrawal liability on their audited financial statements each year.

Our Association represents the views of commercial and industrial contractors in Houston, Texas. Our members are all signatory to one or more local union collective bargaining agreements. Each of these agreements participates in the SMWIA National Pension Fund, a multi-employer plan. Our members' employees are the mostly high trained and skilled employees available to perform complex air conditioning and sheet metal fabrication and installation in hospitals and laboratories, office buildings and public facilities, as well as industrial fabrication. Our employers are signatory because of these local union's ability to provide them with this skilled work force. These contractor companies participation in the local union agreements obligates them to contribute, on behalf of their employees, into the multi-employer plans.

Your proposal to require these employers to disclose their potential withdrawal liability is certainly well intended, yet there are presumably unintended consequences that could be severe to our union employing construction companies. First, the annual expense of determining the hypothetical cost of the employer company's withdrawal liability is unreasonable, when there is no likelihood of the materialization of the liability.

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Your rule would force a company to disclose their potential liability, even when there has been no contemplation, much less action to invoke the liability. Too, we would argue that the financial statements of a company are mis-representing the true picture of the company when a hypothetical liability has been introduced. Those entities which depend upon audited financials will be misled as to the financial state of the company, and the decisions they might make about the company will be directly and perhaps adversely altered by those misleading statements.

We believe your rules as they presently exist are sufficient. Implementation of this proposed rule will undermine the FASB objectives to develop fair reporting standards. We are strongly opposed to your proposal and recommend that it be withdrawn.

Your very truly,

Glenn Rex

Executive Director