

Bricklayers & Trowel Trades International Pension Fund

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October 26, 2010

Mr. Russell G. Golden
Technical Director
Financial Accounting Standards Board
File Reference Number 1840-100 and 1860-100
401 Merritt 7
PO Box 5116
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director@fasb.org

Dear Mr. Golden:

On behalf of over 10,000 contributing employers and over 100,000 participants and retirees, the Bricklayers & Trowel Trades International Pension Fund (IPF) would like to take this opportunity to comment on the proposed Financial Accounting Standards Board's (FASB) Exposure Draft (Topic 450) – Disclosure of Certain Loss Contingencies and (subtopic 715-80) – Disclosures about an Employer's Participation in a Multiemployer Plan. The IPF is one of the larger multiemployer construction industry pension plans in the country. IPF contributing contractors employ IUBAC members engaged in 35 different specialized trades within 8 distinct masonry crafts and operate in all 50 states.

We understand that the draft standards issued for comment by FASB would require every employer contributing to a multiemployer pension fund, even where withdrawal is neither contemplated nor reasonably possible, to disclose substantial details surrounding withdrawal liability in the notes of their financial statements. The current standard requires disclosure only when withdrawal is probable or reasonably possible.

IPF signatory employers, like other employers in the construction industry, typically participate in numerous pension plans and are rightly concerned that bonding companies, banks and other sources for operating credit may become overly concerned with withdrawal liability, even in circumstances where such withdrawal is not contemplated, probable, or even reasonably likely.

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In the construction industry, ERISA has very explicit rules regarding withdrawal liability. Construction industry employers become liable for withdrawal liability only if the company ceases to contribute to a pension fund but continues to perform the same or similar work in the same geographic area of the collective bargaining agreement. This is the type of business decision such an employer will typically not consider or make hastily. Unlike other industries, should an employer become inactive, retire or enter a different industry, no withdrawal liability is assessed.

In cases where employers are considering a change in their business operations that does not include future fund contributions, the offices of the pension funds in which they participate are contacted to provide a withdrawal liability estimate. The estimate of withdrawal liability is a complex calculation which accordingly includes the assistance of the pension fund actuarial service provider and other professionals. The resulting calculation reflects the funding status of the pension plan based on data for the most recent Plan year available along with revised actuarial assumptions, industry trends, investment returns and the historical contributions of the employer and other employers contributing to the pension fund. Even when an employer asks for such an estimate, the overwhelming majority do not subsequently withdraw.

In a typical year, the IPF may receive a few dozen such requests. If the proposed standards are adopted, the administrative burden on our Fund will be multiplied literally a thousand-fold, to an unsustainable level. Other funds will experience similarly burdensome requests. The cost to perform all of these calculations would be prohibitive for the funds and the contributing employers. The resulting calculations would be dated and inaccurate by the time the employer's financial statements are released.

Thus, the information will be tremendously costly to produce, fairly imprecise, and given the difficulty in understanding withdrawal liability, and in particular the nuances relating to withdrawal in the construction industry, will lead to widespread misunderstanding of the involved employer's true financial situation. This will have a potentially crippling effect on employers that participate in multiemployer funds.

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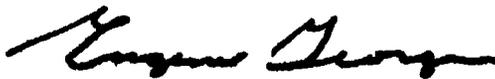
Multiemployer plans are funded by the combined contributions of groups of employers. Those groups may include a few or several thousand employers throughout an industry. Those employers provide good paying, middle class jobs that generate contributions that fund the plans; thereby increasing Plan funding and reducing the risk to all of the stakeholders, whether they are sponsoring employers, plan participants, the Pension Benefit Guaranty Corporation, or indeed employer's creditors and investors. Requiring reporting of potential withdrawal liability under circumstances in which it is neither probable nor even reasonably possible, would place contractors participating in multiemployer plans at a huge competitive disadvantage in terms of access to credit. This will cause such employers to lose opportunities to create the jobs that generate the pension contributions, which in turn will have a negative impact on plan funding; ultimately perhaps causing the very withdrawal that otherwise would never have happened.

The current standard requires disclosure where withdrawal is probable or reasonably possible and continues to be appropriate. Requiring disclosure where the chances of withdrawal are any more attenuated provides no additional useful information, but instead is misleading and has huge potential for disruption of business operations. We therefore urge FASB to abandon the draft standards.

Respectfully,



James Boland, Co-Chair
IPF Board of Trustees



Eugene George, Co-Chair
IPF Board of Trustees