



CONSTRUCTION EMPLOYERS ASSOCIATION

950 KEYNOTE CIRCLE, SUITE 10 CLEVELAND, OHIO 44131-1802 web site: www.ceacisp.org (216) 398-9860 FAX (216) 398-9801

R 93

October 28, 2010

Via Email: director@fasb.org

Technical Director
Financial Accounting Standards Board
301 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Re: File Reference No. 1860-100

Exposure Draft on Compensation-Retirement Benefits-Multiemployer Plans

(Subtopic 715-80)

Dear Technical Director:

On behalf of the Construction Employers Association (CEA), a non-profit association of 122 construction companies in northeast Ohio, I respectfully submit the following comments in response to the Exposure Draft on Compensation - Retirement Benefits - Multiemployer Plans.

CEA strongly believes that requiring disclosure of an estimated unfunded withdrawal liability would be misleading to the users of the financial statements and harmful to a large segment of the construction industry. Disclosing estimated withdrawal liability is unprecedented and for good reason. Liabilities generally are not recognized unless they are both probable and can be estimated. Yet, the proposed disclosure rule would require construction companies to list hypothetical liabilities for which accurate estimation is impracticable.

Withdrawal liability is not probable when an organization does not intend to withdraw and is not otherwise at risk of withdrawing from the pension plan.

¹ CEA has served the northeast Ohio region since 1916. CEA consists of 122 union construction companies along with 44 affiliated members who provide professional services to the construction industry and 15 local contractor associations. CEA also services over 500 construction-related companies through our Construction Industry Service Program (CISP). The CISP is designed to increase skills, abilities and safety awareness to the construction industry. CEA members and those served by the CISP represent approximately eighteen thousand construction-related employees throughout northeast Ohio.

Furthermore, the liability assessment would rely on actuarial calculations based on assumptions made by the various plan trustees together with financial data that is often months old and outdated by the time it can be incorporated into financial statements. Additionally, the new Exposure Draft would require employers to "disclose" (i.e., try and predict) how their hypothetical withdrawal liability could be impacted by not-yet-bargained, future contribution rates, funding improvement plans and rehabilitation plans. Of course, any plan or contribution rate that has not been negotiated or adopted by unions and employers is pure speculation and would hardly be a reliable basis for financial reporting.

If the Exposure Draft were implemented without revision, lenders, sureties, customers, vendors and service providers to the construction industry would be presented with unreliable information about liabilities that might never materialize. Disseminating such information is likely to cause market participants to question perfectly solvent construction companies, needlessly harming a large segment of the entire construction industry.²

Thank you for the opportunity to comment on this important issue. Please contact me if you would like any additional information.

Sincerely,

Tim Linville, Executive Vice President Construction Employers Association

² The proposed disclosure requirement would also place an unreasonable financial and administrative burden on construction companies and pension plans.