

Consultants & Actuaries

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Technical Director Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5166

Re: Multiemployer Pension Disclosure (File Reference 1860-100)

Dear Technical Director:

As an actuarial consulting firm, Cowden Associates, Inc. represents 12 sponsors of multiemployer pension plans. We believe the proposed requirement to disclose withdrawal liabilities for organizations that do not intend to withdraw is seriously flawed. Our position is supported as follows:

MISLEADING FINANCIAL INFORMATION

An amount of withdrawal liability takes on meaning only in the event of an actual withdrawal. An organization that does not withdraw obviously does not pay withdrawal liability. Thus the indicated liability is not a real liability.

Most of our plans are in the construction industry. The special construction industry rules provide exceptions that make it less likely that withdrawal liability will ever be paid.

Because of timing requirements, the reported withdrawal liability will very often not be current, and may not be a reasonable representation of the current situation.

In the event of an actual withdrawal and an assessment, withdrawal liability payments are capped; a portion of the liability may never be paid.

Different plans may use different methods and assumptions to calculate withdrawal liability. The amounts reported by different plans may not be at all comparable.

Sincerely,

Cowden Associates, Inc.



