



November 1, 2010

Russell G. Gordon
Technical Director
File Reference No. 1860-100
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Re: Comments from the Electrical Industry Group of Washington
File Reference No. 1860-100: "Disclosure about an Employer's Participation
in a Multiemployer Plan"

Dear Mr. Gordon:

These comments are being submitted regarding a proposed Accounting Standards update – "Disclosure about an Employer's Participation in a Multiemployer Plan" – on behalf of the Washington State Labor-Management Cooperation Committee of the International Brotherhood of Electrical Workers (IBEW) and the National Electrical Contractors Association (NECA), which more than 8,000 electricians and 400 electrical contractors operating in Idaho, Oregon, and Washington. The IBEW is one of the largest labor unions in the United States, collectively representing hundreds of thousands of electricians. NECA is the nation's largest contracting association representing 4,500 electrical contractors in 120 chapters around the United States.

NECA Contractors, in conjunction with IBEW locals, throughout the state participate in multiemployer pension plans. Further, the IBEW locals and NECA chapters in Washington State, through their Joint Apprenticeship Training Committees (JATCs), are participants in the National Electrical Benefit Fund (NEBF), which is the third largest multiemployer plan in the nation.

The proposed update by the Financial Accounting Standards Board (FASB) on the Exposure Draft on Compensation - Multiemployer Plans (Subtopic 715-80) would require additional financial disclosures by contractors, including listing their withdrawal

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liabilities. Withdrawal liability typically occurs in our industry when an employer ceases to contribute to an underfunded multiemployer plan. This is more likely to occur when the employer operates in a different jurisdiction than where their primary place of business is located.

The additional disclosures that would be codified under 715-80 would be both administratively burdensome to contractors participating in multiemployer plans and would adversely impact the financial wellbeing of any contractor participating in a multiemployer plan that has an unfunded liability. Furthermore, for the many contractors that participate in numerous multiemployer plans, they would have the added burden of disclosing all withdrawal liabilities they could *potentially* be subject to. Under such a scenario, contractors would be put at a competitive disadvantage, as their bonding capacity may decrease or be lost and their line(s) of credit reduced or closed entirely.

Given the nature of these disclosures and the potential for loss of competitive advantage, the listing of such liabilities potentially disclose proprietary information regarding pensions plans that are currently under improvement or rehabilitation plans. These withdrawal liability assessments and required disclosures are collectively misleading because they represent a snapshot of a single moment in a plan. They fail to take into account market adjustments, economic recessions, or other market events that cause volatility.

Taken as a whole however, it is unlikely that an employer would cease to contribute to a defined benefit plan and actually incur a withdrawal liability. As such, it is our contention that withdrawal liability should only be disclosed when such an expense is likely to be incurred or is intended to be incurred in the future. This position is both consistent with ERISA and with standing national public policy, which attempts not to impose a “one-size-fits-all” standard.

The Electrical Industry Group of Washington understands and supports the mission of FASB, however, we believe that the additional disclosures regarding Employers Participation in Multiemployer Plan (Subtopic 715-80) are detrimental to employer’s economic lifelines, including their bonds, construction loans, and lines of credit. Given we are still in the midst of an economic recovery, we recommend that FASB reconsider and withdraw its 715-80 proposal and reevaluate the implications that such disclosures would have on employers participating in multiemployer pension plans.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry Hatch". The signature is written in a cursive, somewhat stylized font.

Terry Hatch
Director, Business Development
Electrical Industry Group of Washington