



November 1, 2010

via email: director@fasb.org

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

Re: File Reference No. 1860-100, Proposed Accounting Standards Update—Compensation—Retirement Benefits—Multiemployer Plans (Subtopic 715-80): *Disclosure about an Employer's Participation in a Multiemployer Plan*

Dear Sir or Madam:

On behalf of the Associated General Contractors of America (AGC), I respectfully submit the following comments in response to the Exposure Draft, *Disclosure about an Employer's Participation in a Multiemployer Plan*. AGC appreciates the efforts of the Financial Accounting Standards Board (FASB or the Board) and its staff in preparing the Exposure Draft, and for the opportunity to comment on the proposed principles.

AGC's concerns about the Exposure Draft (ED) are extensive, and I would like to summarize the concerns briefly before they are explained in detail below. We believe that the draft under-appreciates the costs associated with compliance, and also misunderstands and over-estimates the relevance of the disclosures that would be required. The contemplated disclosures would be neither timely nor accurately reflective of the financial impact of participating in a multiemployer plan. In fact, the ED underestimates the complexity of the relationship between employers and multiemployer plans and significantly underestimates or ignores the effect of the construction industry exemption provided in the Employee Retirement Income Security Act (ERISA) that places the assessment of liability, and the avoidance thereof in most cases, entirely within the control of the contractor. AGC strongly urges FASB to withdraw the current proposal for reconsideration, not only due to the many potentially negative impacts on employers that participate in multiemployer plans, but also because it appears to be based on a misunderstanding of the applicable liability rules for construction industry employers.

AGC is the leading association for the construction industry in the United States. AGC represents more than 32,000 firms, including over 6,000 general contractors, and 12,000 specialty-contracting firms. Over 12,000 service providers and suppliers are associated with AGC through a nationwide federation of 95 chapters. AGC contractors are engaged in the construction of the nation's commercial buildings and industrial facilities, highway and public transportation infrastructure, water and wastewater systems, flood control and navigation structures, defense installations, multi-family housing, and more.

The construction industry has played a powerful role in sustaining economic growth, in addition to producing structures that add to productivity and quality of life. Unfortunately, the construction industry has suffered as a result of the economic downturn. Whereas the construction industry provided jobs for 7.7 million workers in August 2006, there are currently 5.6 million workers in the industry (down 27 percent). The industry's unemployment rate in September 2010 was 17.2 percent, not seasonally adjusted, nearly double the all-industry rate. Nonetheless, the construction industry is a significant source of good-paying jobs, is a major customer of U.S. manufactured goods, and makes a large contribution to U.S. Gross Domestic Product (6.4 percent in 2009).

Cost and Relevance Issues

Two of the underlying foundations of any accounting standard are its implementation costs and its relevance. The principles of an accounting standard should be relevant to the users, and the cost to obtain the information should not outweigh the benefit of disclosure. Both of these tenets—relevancy and cost—weigh against adoption of the proposed ED. We are concerned that if this ED as currently written is adopted as a standard, the cost to the construction industry will be extreme. Not only will the information not be relevant or timely, it will for the withdrawal liabilities, in fact, be misleading.

The volume of the proposed additional required data is causing apprehension to even small employers. In paragraphs 715-80-8 to 12 of the ED, FASB presents an example of the required disclosures of an entity's participation in just one multiemployer pension plan (MEPP) for an annual period. This one example for an employer's participation in one MEPP is two pages in length. Many small construction employers, even if their revenues are under several million a year, participate in several MEPPs. One real life example we would like to communicate to you is a utility pipeline contractor in Western Pennsylvania. This business' annual financial statements for their year just recently completed consisted of fourteen pages. This contractor has employees that participate in six separate MEPPs. In order to comply with the ED new disclosures, this small contractor would have to add about twelve pages to its annual financial statements, almost doubling the size of its annual report. On the other hand, AGC is also aware that several of its larger members each participate in over 200 MEPPs. For these contractors, as each MEPP would require approximately two pages of additional disclosures, the

MEPP disclosures alone would consist of approximately 95 percent of their annual financial statements, and their total annual financial statement would have over 400 pages. Even large public entities do not have financials of that size. One can reasonably argue that just that volume of disclosure alone would mislead a reader of the financials as to the importance of this element of a company's financial statement.

Furthermore, the cost of obtaining the proposed required information per plan will be significant for each employer and for each MEPP plan. A MEPP can have hundreds of participating employers. Some of the proposed new disclosures are available and can be calculated at the plan level and communicated to each employer. The disclosure of potential withdrawal liability, however, will be unique to each employer, and outside experts will be needed to obtain the data, process, and estimate it. These outside experts will, at a minimum, consist of a team of an actuary and an attorney. This effort will place a large burden on the plans and on the employers to harvest, analyze, and calculate the disclosure amounts, prepare the related statements, and hire the independent accountants to prepare the reports.

Construction companies and their financial statement users want their financial information issued on a timely basis, usually within weeks of a company's year end. It will simply not be possible for the plans, the participating employers, and the required outside experts to accomplish this process in a timely manner for the latest MEPP information to be presented in the applicable, current year's financial statements. Further, the actuarial valuations provided by a MEPP are always at least a year old, so the disclosures will neither be timely nor match the financial statement information with which it is presented. That, alone, brings question to the requested information's relevance.

Accuracy and Consistency of the Proposed Disclosures

The ED appears to be founded on the incorrect assumption that single and multiemployer pension plans have similar liability characteristics to an employer. Additionally, we argue that the ED indicates a need for a better understanding of how MEPPs and the construction industry operate, especially within its related regulatory and statutory requirements, as explained in the following section. The team of outside experts, the actuarial and legal counsel, will likely come to different conclusions on what the calculations of MEPP liabilities and resultant disclosures are. These conclusions will vary from employer to employer and MEPP to MEPP. The ED will not result in consistent and comparable information. The resulting information will always be out of date, as explained in the prior section. The withdrawal liability information will be speculative if it is even able to be obtained, due to speculative information on conclusions the ED proposes to require for future events (i.e., future collective or individual labor bargaining) and legal issues. These future events and legal issues are ones that will be defined in future negotiations between the employer and

the unions that are not limited to benefits and compensation, future continued participation, or non-participation in the particular MEPP, and legal conclusions on “in place” contracts that are subject to opposing sides continued relationships and negotiations. Therefore, bringing all of these issues and points together, AGC is concerned about the accuracy, auditability, consistency, and reliability of the proposed required information.

Construction Industry Exception

Section 4203(b)(2) of ERISA, codified at 29 USC § 1383(b)(2), provides special rules for the construction industry regarding the inurrence of withdrawal liability. It provides that an employer contribution to a MEPP in the construction industry that ceases contributions has not withdrawn for purposes of incurring withdrawal liability unless the employer either (i) continues to perform work of the same type and in the same jurisdiction of the collective bargaining agreement under which MEPP contributions were previously required, or else (ii) resumes work in that jurisdiction with 5 years after the collective bargaining agreement was terminated. Any legal counsel will argue that these are future events that cannot be determined for disclosure inclusion currently. Clearly, the decision to continue or resume operations as a non-union employer in a particular geographic area is a matter entirely within the control of the contractor, and cannot result from unforeseen or uncontrollable events.

In enacting this construction industry exemption to the withdrawal liability rules, Congress deliberately chose, in the Multiemployer Pension Plan Amendments Act of 1980, to treat the building and construction industry differently from all of the other industries in the American economy. It did so "because the construction industry as a whole does not necessarily shrink when a contributing employer leaves the industry. Rather, its former employees are often dispatched to another contributing employer that continues to make MEPP contributions on their behalf, and the pension loses nothing (Oregon-Washington Carpenters v. BQC Const., Inc., 485 F.Supp.2d 1206 (D.Or. 2007)). Contrary to the single employer model, construction industry employees typically work for many different employers, even in the course of a single year. Congress has repeatedly treated construction employers differently with respect to collective bargaining and employee benefit issues (e.g. § 8(f) of the National Labor Relations Act), because it makes economic sense to do so. And accounting rules ought to reflect the legally applicable liability distinctions.

Under the statutory liability rule, a union employer has to make a conscious choice to continue work, or to resume work within 5 years, as a non-union contractor in an area where it had previously been a union contractor. If a contractor does plan to make such a choice, then it would incur liability and we would agree that the effort to calculate the withdrawal liability disclosure in the financial statement makes sense. Otherwise, however, requiring such a disclosure is entirely misleading, as it suggests a potential liability where, in fact, there is none or very few.

Consider, for example, the way that § 4203(b)(2) applies when a contractor's obligation to contribute to a construction-industry MEPP by virtue of signing a project labor agreement (PLA)—a collective bargaining agreement that applies only to a particular project rather than to all projects in a particular geographic area, as is the case with most construction-industry labor agreements. In Northern New England Carpenters Pension Fund v. H.P. Cummings, 2003 WL 1856440 (D.Me. April 10, 2003), the court held that, because the jurisdiction of a PLA was a particular project, subsequent work in the geographic area would not be “in the jurisdiction... within the meaning of 4203(b)(2) unless the contractor went back to perform work on the same site within five years.” The ED would actually require the construction contractor who signs a PLA to track its potential withdrawal liability until, after twenty (20) years of amortization (see 29 U.S.C. § 1391(b)(2)(C) (amortization by 5 percent per year)), that potential, and entirely theoretical liability, would finally be reduced to zero.

In further explanation of the construction-industry exemption and the complexities of withdrawal liability in the industry, we point out that the exemption applies only if substantially all the employees with respect to whom the employer has an obligation to contribute under the MEPP perform work in the construction industry, and the plan either (1) primarily covers employees in the industry, or (2) is amended to provide that the exemption shall apply to contributing employers. If a construction company performs non-construction work, or participated in a MEPP that does not meet those standards, then the employer will likely be assessed a withdrawal liability if it ceases contributions, even if it does not continue to work in the area or return within five years. The contractor and the MEPP will, most likely, argue whether the exemption applies and the eventual answer as to whether a contractor or employer owes a withdrawal liability will depend on the actual facts and circumstances of the contractor's work type, the types of workers represented by the MEPP, and the ability and talent of the contractor's legal representatives. Even if the MEPP is a 100 percent construction only industry MEPP, it will often assess a withdrawal liability against a construction business, using the burden of the due process system or the legal process as a threat to cajole withdrawal funds from a contractor despite the application of § 4203(b)(2).

Based upon these examples and the legal descriptions of the construction industry exception, we do not believe that such a speculative and subjective potential liability belongs in a contractor's set of financial disclosures. Employers in the construction industry should be exempt from the disclosures of a potential withdrawal liability related to MEPPs in the construction industry. Additionally, the ED states that FASB "believes that the withdrawal liability is the best available information to allow users to ascertain the employer's relative share of the funded status." Plainly, FASB simply assumed that a construction employer who participates in a multiemployer pension plan bears some responsibility for a “relative share of the funded status.” That underlying assumption, however, is entirely flawed.

The ED relies on other flawed assumptions bearing re-examination. It purports to apply "separately for multiemployer pension and multiemployer other postretirement benefit plans," without ever articulating what the "other" category of disclosures would look like. There is a reference, on page 1 first paragraph, to "retiree healthcare." Section BC10 of the ED, pages 15-16, states "The Board ... believes that the withdrawal liability is the best available information," but, after our discussion with legal experts in this field, we are not aware of any statutory liability for "withdrawal" from a "retiree healthcare" plan. Again, it appears that FASB did not give consideration to the actual legal rules for when a liability can and cannot be assessed against a construction employer. Section BC10 of the ED even states that "In the United States, certain plans legally require an employer to pay a withdrawal liability when it exits a multiemployer pension plan," although, as a matter of law, mere "exit" from a multiemployer plan cannot result in any withdrawal liability for a construction industry employer. FASB is assuming that there must be some kind of liability, perhaps because the rules for single employer plans are different and FASB is mistakenly using that as a foundation to draw conclusions about MEPPs.

Method of Accounting Problems with the ED

FASB dismisses that the method of accounting proposed for the MEPP ED, as stated in paragraph BC10, is a going concern assumption. It states that "the withdrawal liability is the best available information to allow users to ascertain the employer's relative share of the funded status." Based upon our fact-findings, as described above, we conclude that the withdrawal liability is absolutely not the best information available to allow users to ascertain the employer's share of the funded status for the construction industry. Such reasoning is flawed. Again, the facts are that if a construction employer sells his business, goes out of business, or starts performing another line of work not requiring the type of worker that is in the MEPP plan, there is no liability, and certainly not a withdrawal liability.

Other Potential Practical Solutions to the Multiemployer Pension Plan Disclosures, and Actual Handling of Unfunded Liabilities for MEPPs

There are a finite number of MEPPs in the United States, approximately 1,500 according to the *Pension Benefit Guaranty Corporation* (PBGC). The PBGC issued the following press release in January of 2010:

WASHINGTON—The Pension Benefit Guaranty Corporation today announced it has begun to give financial assistance to two insolvent pension plans covered by its multiemployer insurance program. The PBGC now provides funding for the following pension plans:

- **The Southern California, Arizona, Colorado, and Southern Nevada Glaziers Pension Plan**, which covers 5,200 workers and retirees in the construction industry. The plan

became insolvent in January 2010, and the agency has sent an initial payment of \$639,113 to ensure that the plan's 1,500 retirees receive their guaranteed benefit. The plan will receive a cash distribution each month to fund benefit obligations. The agency estimates its total financial commitment to the plan will be \$117 million.

- **The United Food and Commercial Workers Local 1049 Pension Plan**, which covers 400 food service industry workers in Cedar Knolls, N.J. The plan became insolvent in January 2010, and the agency has sent an initial \$132,000 to ensure the plan's 240 retirees get their guaranteed benefit. The plan will receive a cash distribution each quarter to fund benefit obligations. The agency estimates its total financial commitment to the plan will be \$5.2 million.

Why is the PBGC now funding or issuing loan funds to the above plans if the employers have withdrawal liabilities, or any additional liability, beyond what they currently pay for their participation in these plans? Underfunding of MEPPs does not necessarily equal liability to pension plan participants. There are many MEPPs with “orphan liabilities,” i.e., those not associated with the current employer contributors. Does it seem logical that the PBGC would voluntarily take on this funding and not go after the employers, if, in fact, the size of the liabilities to the employers exists, as believed by FASB?

The PBGC states the following on its web site:

Multiemployer plans are pension plans sponsored by unrelated employers that usually share a common industry, and are funded according to the terms of collective bargaining agreements. Unlike PBGC's protection of plans sponsored by a single employer, the agency does not take over insured multiemployer plans, but instead sends financial assistance to insolvent plans. After a multiemployer plan notifies the agency that it has become insolvent, the PBGC begins to fund the plan to ensure guaranteed benefits are paid. The frequency of the payment schedule is based on the size of the plan. Generally smaller plans are paid on a quarterly basis, while larger plans receive monthly assistance.

Federal pension law, however, sets forth limits on retiree benefits in insolvent multiemployer plans. Individuals who retire after 30 years of service may be eligible for a guaranteed benefit of up to \$12,870. Under the law, the guaranteed benefit limits are imposed by the plan administrator, not the PBGC, and are triggered when a plan becomes insolvent.

Currently the PBGC gives assistance to 40 insolvent multiemployer plans.

The PBGC multiemployer insurance program protects the benefits of about 10 million workers and retirees in almost 1,500 multiemployer defined benefit pension plans. At the end of fiscal

year 2009, the program had assets of \$1.5 billion to cover about \$2.3 billion of financial assistance expected to be paid in the future. For more information on the multiemployer insurance program, see PBGC's fact sheet. www.pbgc.gov/media/key-resources-for-the-press/content/page13544.html

The PBGC is a federal corporation created under the Employee Retirement Income Security Act of 1974. Through its separate insurance programs for single-employer and multiemployer pension plans, the PBGC guarantees basic pension benefits earned by 44 million American workers and retirees participating in over 29,000 private-sector defined benefit pension plans. The agency receives no funds from general tax revenues. Operations are financed largely by insurance premiums paid by companies that sponsor pension plans and by investment returns.

The points that we would like to raise from the above press release, and our response in general to the ED on how the ED can be better, consists of the following:

1. Stated benefits of MEPPs can be reduced if a plan is taken over by the PBGC. In other words, pre-takeover liability is always overstated.
2. As there are a finite number of MEPPs in the U.S., instead of requiring each MEPP contributing employer to obtain and disclose the same common plan information as outlined in your paragraphs 715-80-50, we suggest that the employers be permitted to refer to the IRS Form 5500 filings of the MEPPs. As you are aware, non-profits' (which is what MEPPs are classified as) annual tax filings are all now public records available to just about anyone on-line. Instead of requiring disclosures for each separate MEPP participant, which will mislead the users, the MEPP employers could disclose in their financials the names of the MEPPs in which they participate materially (see the next point on the requested definition of what we suggest you consider "material"), the Federal ID number of the MEPP, and the following information that the employer controls (any other information about the MEPP can be obtained from the 5500 by the reader or user of the employer's financials):
 - a. The employer's exposure to significant risks and uncertainties arising from its participation in the plan(s). That narrative description shall include the extent to which, under the terms and conditions of the plan(s), the employer can be liable to the plan(s) for other participating employer's obligations, IF APPLICABLE.
 - b. Any funding improvement plan(s) or rehabilitation plan(s) expected effects on the employer.
 - c. A description of the nature and effect of any changes affecting comparability from period to period, including the rate of employer contributions for each period for which a statement of income is presented.

- d. A description of the contractual arrangement(s) with the MEPP, including all of the following:
 - i. The term of the current arrangement(s);
 - ii. For each future year covered by a contract, the agreed-upon basis for determining contribution(s);
 - iii. Any minimum contribution(s) required by the agreement(s);
 - iv. Percentage of the employer's employees covered by such plan(s);
 - v. Amount of contributions for the current reporting period;
 - vi. Expected contributions for the next annual period; and
 - vii. The consequences the employer may face if it ceases contributing to the plan(s).
3. As to whether an employer's participation in a MEPP is "material" and that the above disclosures would become applicable, we suggest that a "*de minimis*" criteria be established provided that, an employer would not be required to present the above information for MEPP plans that make up less than one-third of the employer's employees, or contributions into a MEPP fund. If an employer participates in such a great number of MEPPs that no one plan is more than a third of the employer's employees or benefit payments, then the employer would be required to present the above limited disclosures for the largest 50 percent, by number, of any MEPP that the employer participates in, as long as any MEPP participation is equal to or greater than 10 percent of the employers total workers or benefits paid for the financial period.
4. We argue that the following is information (in items a. and b. below) or data that is not possible to be provided, in most circumstances, unless the employer has or does intend to withdraw from a plan:
 - a. For plans for which an amount is required to be paid on withdrawal from the plan or windup of the plan.
 - b. The amount that is required to be paid on withdrawal from the plan as of the most recent date available, if that information is obtainable.

Comment Period is Too Short

There are many stakeholders involved in MEPPs. Issuing an ED with a two-month response period is too short. Even adding another month or so to a two-month time period would not be sufficient. There are many construction industry related organizations diligently trying to communicate with their contractor members in an effort to educate them about the provisions of the ED, but that effort cannot

be done in the ED time period. Due to the efforts to communicate with the stakeholders, and the fact that this ED is not part of the international convergence efforts, an ED time period of at least six months would be more appropriate.

Given the flawed assumptions upon which FASB relied in drafting the ED, it should be clear that additional input would be valuable.

Answers to FASB ED Questions

Question 1: *Do you agree that the proposed quantitative and qualitative disclosures will result in a more useful and transparent disclosure of an employer's obligations arising from its participation in a multiemployer plan? Why or why not? If not, what changes would you suggest to the proposed amendments?*

Yes and No. The general information about an employer's participation in a MEPP could be perceived as being helpful, were it not for the relative size of the requested/required information. We suggest that the disclosure information required of the employer be reduced as outlined above, and that the general information about the MEPPs be made available directly from the MEPPs in their Form 5500 filings with the IRS and not included in the employer's disclosures.

No. The information on withdrawal liability is speculative and not probable for the construction industry. In the ED, FASB does not mention or address the construction industry exception. It should. The construction industry should be provided an exception to the withdrawal liability disclosures unless the construction employer expects to, or, in fact, withdraws from a MEPP as defined in ERISA. Mere "exit" from a plan does not constitute withdrawal pursuant to the applicable law.

Question 2: *Do you believe that disclosing the estimated amount of the withdrawal liability, even when withdrawal is not at least reasonably possible, will provide users of financial statements with decision-useful information? Why or why not?*

If the proposed disclosures are required of construction employers, the disclosed information would be, at best, a poor estimate for a conclusion that will be founded in future events subject to speculation and negotiation. The information could also be perceived as misleading if the employer does not plan to withdraw from a pension plan anytime soon. According to FASB's usual financial concepts, in order for a liability to be accrued or disclosed within a financial statement, an item must be both probable and quantifiable. The potential withdrawal liability of construction employers would not meet either criterion.

Question 3: *What implementation costs, if any, will an employer face in applying the proposed disclosures? Are these costs significantly different when applying the proposed disclosure requirements to foreign plans?*

The implementation costs will be significant for each MEPP employer, let alone for an employer participating in multiple MEPPs, which is typical in the construction industry. The construction industry understands that this is not an international issue; rather MEPPs are somewhat unique to the U.S. As such, we cannot comment on the potential application of the proposed disclosures to foreign plans.

As noted, the amortization period for the liability pool established at the end of each plan year by a multiemployer pension plan is twenty (20) years. See 29 U.S.C. § 1391(b)(2)(C). That twenty- (20) year burden would be imposed or renewed for both the employer and the multiemployer pension plan every time a construction employer entered a project labor agreement, although the odds of an actual withdrawal liability assessment arising out of such an agreement is approximately zero.

FASB should become more familiar with the legal rules applicable to both US and foreign plans before implementing a disclosure requirement that, at least under US law as applicable to construction industry employers, makes little sense.

Question 4: *The Board plans to require that the amendments in the final Update be effective for public entities for fiscal years ending after December 15, 2010. Are there any significant operational issues that the Board should consider in determining the appropriate effective date for the final amendments?*

Compliance with the new disclosure requirements as proposed, without our modifications outlined above, within the time frame proposed would be impossible for the majority of construction employers. This conclusion is drawn from the amount of the required information and the lack of power most construction employers have over MEPPs to require them to supply the necessary data. Most of the new required disclosures or data will have to be supplied by the MEPPs. What “power” or ability would a typical construction employer have over an individual MEPP or over several MEPPs in which it participates to supply the needed information? The Pension Protection Act of 2006 (29 U.S.C. § 1021(k)) requires a MEPP to furnish copies of certain kinds of reports within thirty (30) days of a request, or else civil penalties can result, and the Department of Labor, Employee Benefits Security Administration, has adopted rules for assessment of those penalties at 29 CFR § 2560.502c-4 (see 74 FR 2373 (1/15/2009) and 74 FR 17-21 (1/2/2009)). However, this recently adopted mechanism for making complaints to the EBSA is entirely untested, and is unlikely to have the capacity that will be required to meet the demand that the ED would create.

For example, under the Pension Protection Act of 2006 (PPA), if MEPPs did not supply the required funding information to the participating employers, they were to be subject to Federal fines. Even with that punitive monetary incentive in the initial year of implementation of the PPA, most MEPPs did not comply with the requirement to supply or timely supply that information to the contractor employers. What is going to motivate those MEPPs to respond to the coming onslaught of information requests, when employers effectively have no “hammer” to compel compliance? That is why we suggest that the reader or user of the contractor’s financials be referred to the web site where that information can be obtained directly, from the 5500 filing of the MEPP.

If FASB changes the required disclosures, as outlined above, it would solve most of the operational, prohibitive issues, and enable the final amendments to be implemented by your proposed implementation date.

Question 5: *The Board intends to defer the effective date for nonpublic entities, as defined in transition paragraph 715-80-65-1, for one year. Do you agree with the proposed deferral? If not, please explain why.*

We agree that nonpublic entities should be able to defer the effective date. We do not agree that a one-year deferral is sufficient time, however.

Question 6: *In addition to the deferral for nonpublic entities, should any of the provisions in this proposed Update be different for nonpublic entities (private companies and not-for-profit organizations)? If so, which provision(s) and why?*

If our suggested reduced disclosures and alternative process for obtaining the other information on the MEPP (again, via the Form 5500 public posting) are adopted by the FASB, nonpublic entities will also be able to implement the updates. We do suggest, however, that nonpublic entities should have greater “*de minimis*” criteria in order to reduce the numbers of separate MEPP disclosures required.

Conclusion

Based upon these facts, we strongly urge FASB to withdraw the current ED for reconsideration and rewrite the proposal, taking into account the points and suggestions in our response about the unreliability and cost of the proposed information.

Thank you for your consideration of our views.

Sincerely,

A handwritten signature in black ink, appearing to read "Sgt E SL". The signature is fluid and cursive.

Stephen E. Sandherr
Chief Executive Officer
Associated General Contractors of America