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November 1, 2010

Mr. Russell G. Golden
Technical Director
Financial Accounting Standards Board
Norwalk, CT 06856-5116
director@fasb.org

Re: File Reference Number 1860-100 – Compensation-Retirement Benefits-Multiemployer Plans (Subtopic 715-80)

Dear Mr. Golden:

We appreciate the opportunity to comment on the FASB 715-80 Exposure Draft issued on September 1, 2010 with respect to disclosure about an Employer's Participation in a Multiemployer Plan. We represent a group of employers and employer associations, employee benefit consultants, and multiemployer plans from the construction, grocery, and trucking industries. Together, the group membership represents approximately 40,000 employers and actuaries and consultants that advise more than a third of the multiemployer plans in the United States. Members in the group include the Associated General Contractors of America; the Ironworkers Employers Association of Washington, D.C. and Baltimore; Milliman; the National Association of Construction Boilermaker Employers; The Association of Union Constructors; The Great Atlantic & Pacific Tea Company, Inc.; The Segal Company, and UPS.

Exposure Draft 715-80 Comment Period Should Be Extended

Exposure Draft 715-80 sets forth very technical but dramatic changes to employer reporting for multiemployer plans. Thousands of employers have no idea that the changes are being considered and many more who have heard about the changes do not understand the details or the effect the proposed changes may have on their businesses. In addition, the investment, banking, insurance, and surety industries which will be affected by the changes are only now starting to become aware of and analyze the exposure draft. Given the breadth of the new proposed requirements and their far reaching consequences to approximately 25% of pension participants in the United States, we request that FASB extend the comment period to ensure that due process is afforded to all of the industries and employers affected.

General Observations

Members of the group generally support transparency with respect to an employer's responsibility for its pension funding obligations to multiemployer plans. In order to accomplish that goal, the information presented in an employer's financial statement footnotes in that regard should have a number of qualities: the data should be (1) accurate (it is not helpful to put forth quantitative or qualitative information which is misleading to the user); (2) timely and reliable; (3) readily available (i.e., it should be available in the normal course of the employer's business); (4) non-confidential and publicly available; (5) factual (i.e, it should not require legal analysis to be accurately presented); (6) without undue expense that outweighs the benefit to the user; (7) non-speculative; (8) efficient in its presentation so as not to overwhelm or mislead the user.

We respectfully request that the Financial Accounting Standards Board withdraw Exposure Draft 715-80 and the provisions of Exposure Draft 450 relating to 715-80. The proposed standards are not auditable and present so many significant operational challenges as to make the requirements practically unworkable. If implemented as proposed, the requirements would undermine the integrity of the financial statements and may increase qualified or "except for" audit opinions in order to avoid the defects inherent in the standards.

The implementation of the proposed accounting changes may also cause detrimental long-term effects. If employers contributing to multiemployer plans are required to disclose misleading information about their potential liability to those plans, bankers may wrongly be reluctant to extend to them operating loans, sureties in the construction industry may mistakenly be hesitant to issue completion bonds to employers, and private business owners may have unwarranted difficulty selling their businesses because the purchasers will be uncomfortable with the misleading disclosed amount. In addition, underwriters may inappropriately be unwilling to extend or may misprice bond offerings for public corporations, and investors may unknowingly undervalue companies. Each consequence of the misleading information required to be disclosed will generate a tremendous opportunity cost and create an inefficient market. The resulting damage to equity and growth may further exacerbate the recent financial crisis. We believe, though, that pricing in this risk would be unfounded where the employer has no intention to withdraw or other legal limitations or exceptions would mitigate or obviate the employer's obligation. Moreover, the requirement to disclose misleading information may result in further unwarranted funding difficulties for multiemployer plans and employees because it may inappropriately cause employers to withdraw from the plans.

Most significantly, the Exposure Draft focuses on the overall funding of the plan to which an employer contributes instead of the employer's potential future obligations to fund the plan which may result in increased labor costs to the employer. Effectively, the proposed changes to 715-80 attempt to increase reporting by multiemployer plans by shifting the burden to employers to do so. As separate entities, the plans are responsible for reporting their own funding status. We note that the ERISA Advisory Board is currently reviewing the standards for pension plan reporting on the audited financial statements attached to a plan's Form 5500. That is the appropriate place for reporting general information about a plan, not in an employer's financial statement. An employer's financial statement should focus on the employer's labor costs with respect to such multiemployer plans.

Simply put, reporting the withdrawal liability figure provided by a multiemployer plan would be an inaccurate measure of liability an employer may have after it ceases to contribute to that plan. So too, the attempt to apportion the employer's share of the unfunded liabilities of a multiemployer plan should focus on the employer's obligation to make continued payments to the plan pursuant to collective bargaining of labor costs. The reporting should not require the disclosure of an improbable liability which is dependant upon the legal analysis of unknowable future facts and out-of-date existing data. This is especially true when that data is costly if not impossible to obtain. The proposed changes to 715-80 under appreciate the role of the collective bargaining process in determining an employer's obligation for continued payments to the plans and wrongly attempts to use withdrawal liability as a proxy for the employer's potential exposure to underfunded multiemployer plans to which they contribute.

Overall, much of the information required by the exposure drafts is misleading; untimely; unavailable in the normal course of an employer's business; non-factual requiring legal analysis; costly to employers and plans out of proportion to the benefit to the user; burdensome to employers and multiemployer plans so as to make the requirements non-operational; and excessive in scope (thereby misleading the user because it creates the impression that the potential liability to an employer is greater than it actually is). The proposed disclosure standards also fail to take into consideration the unique characteristics of multiemployer plan design and funding as required under the Employee Retirement Income Security Act of 1974 and the Taft-Hartley Act of 1947. As a result, it also requires the disclosure of information that is inappropriate or irrelevant.

Our specific responses to questions contained in FASB's exposure draft are set forth below:

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?*

Overview of Unique Characteristics of Multiemployer Plans

Some of the information required to be reported by the Exposure Draft is inappropriate, excessive, or superfluous because of the inherent structure and function of multiemployer plans. To the extent that narrative information is required regarding topics that apply to all multiemployer plans, the narrative should be standardized to avoid misunderstanding and minimize the amount of information presented. Less voluminous disclosure will better focus the user on the more important disclosures and avoid the inference that the disclosure presents a unique risk to the reporting employer.

The Number of Plans in Which the Employer Participates – 715-80-1B(a)

The number of plans to which an employer contributes is not relevant to its future obligations to those plans. While this number could probably be produced without an excessive cost to the employer, it is likely to mislead users. Large employers often contribute to hundreds of plans around the country. In many instances an employer may contribute to plans for a short period on a project-by-project basis. Small amounts of contributions would probably not cause a future obligation to those plans since they would likely not exceed the deminimis exception for withdrawal liability. In addition, many employers may work for a short period of time on so-called "maintenance" projects or under project labor agreements and will not work in the jurisdiction of that collective bargaining agreement for at least 5 years (if ever). In the construction industry, that employer may qualify for the construction industry exception and would not have any responsibility for continued payments to the plan after the work has ceased. Consequently, the disclosure of information regarding the number of plans should be eliminated.

For Individually Material Plans, the Name of the Plan(s) - 715-80-1B(b)

We agree that the names of material plans to which an employer contributes should be reported. In addition, users can access information about a multiemployer plan as a whole by reviewing its Form 5500. Those Forms are available for free on the internet. To the extent that FASB deletes the requirement that employers report information pertaining to the plan as a whole, it may wish to add a requirement that the employer report the EIN of material plans it names in order to assist the user in its location of that plan's Form 5500.

Risks and Liability for Other Participating Employers' Obligations 715-80-1B(c)(1) & Determination of Employees Attributable to An Employer 715-80-1B(h) & (i)

The essential plan design feature of a multiemployer plan is that it must be a collectively bargained plan to which more than one employer contributes. The initial design was one of necessity. Many participants would never vest in a benefit if each employer maintained its own single employer pension fund. It is the intrinsic nature of multiemployer plans that contributing employers share in the funding obligation of the entire plan. This is due to the inherent difficulty in assessing which employer is responsible for which active, vested inactive, and retired participant and their beneficiaries. For the large majority of multiemployer plans, it does not make sense to assign responsibility for employees to a particular employer. Thus, it is not reasonably feasible to describe the risks and liability of one employer for another employer's employees.

In the industries covering the large majority of multiemployer plan participants, plan participants sporadically work for many different contributing employers as they go from job-site to job-site. A particular employee may work for a hundred different employers over his career. Often, especially in times of high unemployment, employee participants will "travel" or "boom out" following work around the country. In those cases, the contributions paid by their employer may be transferred ("reciprocated") back to their home pension fund under a number of different methods. Thus, participants could theoretically work for every single employer that contributes to that plan and for many who do not technically contribute to the plan but whose contributions are transferred to the participant's home plan under a reciprocity system. This system is an efficient way to solve the "portability" problem that has plagued single employer plans for decades and is unique to multiemployer plans. However, the mobility of employees confounds the exposure draft's requirement to allocate active, inactive vested, and retired employees among contributing employers. Thus, the requirement should be deleted.

Determination of Plan Participant Benefit Levels 715-80-1B(c)(2)

The variability of plan benefits makes it administratively and operationally infeasible to describe the plan benefits in a meaningful way. In the same plan, participant benefit levels can be significantly different by employer, trade classification, contributing rate, and other factors. Plans are required to produce summary plan descriptions, but it is entirely too much information to present in the footnotes. Moreover, any summary of the formulas would be inaccurate in its brevity or overwhelmingly voluminous in order to be accurate. Also, because benefit structure, eligibility rules, etc. differ from plan to plan, a requirement that they be summarized in the notes would preclude aggregation of plans. As with all plans, the determination of the benefit levels can be a function of plan administration by the plan board of trustees or collective bargaining. Consequently, this requirement should be removed except to the extent that a standardized description of all multiemployer plans is included in the final rules. However, such a description may be of little value to the user.

Representation on the Board of Trustees – 715-80-1B(c)(3)

The requirement that employers report whether they have a representative on the multiemployer trust's board fails to take into consideration the legally required structure of a multiemployer plan and the fiduciary duty under which its board of trustees operates. The Taft-Hartley Act specifically provides that employers have representation on the board of trustees equal to the union's representation. In most instances, an employer association which represents the employer in collective bargaining negotiations is the entity that appoints the employer trustees.

FASB should not require the employer to identify whether it has a representative on the board of trustees of a multiemployer plan. The employers are usually represented on the board in much the same way that the President of the United States represents the country's citizens. The President is elected by the electoral college whose delegates are elected by the citizens of the United States. Similarly, the law provides the structure under which employers are represented on a board of trustees. The employer is a member of the association. The association members elect the governing board of the association which overseas its officers. The association officer or board appoints the trustees of the multiemployer plan. Thus, all employers that are members of the association have a representative on the board of trustees. Irrespective of the employer or association that appoints him, that trustee is bound by the highest duty of loyalty to act for the benefit of the participants of the plan.

Whether an employer appoints a trustee is largely irrelevant since the trustee is required by his fiduciary duty to use plan assets for the sole and exclusive benefit of the participants and beneficiaries of the plan, regardless of whether that participant was ever an employee of his company. Moreover, plan assets may never inure to the benefit of a contributing employer. Much of the decision making process by a board of trustees regarding funding issues may be confidential and involve the plan's data. When acting as fiduciaries, the trustees are bound by their duty of loyalty to the plan participants and must act in the participants' interests. Thus, whether the trustee is appointed by a particular employer should not influence his decisions as a fiduciary thereby rendering the disclosure of that fact irrelevant.

Consequences the Employer Faces If It Ceases to Contribute – 715-80-1B(c)(4)

The determination of the consequences to an employer arising from the cessation of its contributions to a multiemployer plan requires a legal analysis that would be based on future unknowable facts. Given the very complex rules governing multiemployer contributions it is virtually impossible to describe the analysis necessary to make that determination in a way appropriate for a footnote to a financial statement. The primary focus of the financial statement should be to provide the user with enough information to make himself aware of potential issues in this regard. This requirement should be deleted. If any description is required, it should take care to note that the employer may have no liability for continued payments to the plan or may have an obligation for continued payments subject to collective bargaining and operation of law.

Disclosure of Rehabilitation Plans, Funding Improvement Plans, Zones and Remedies under Consideration – 715-80-1B(c)(5)

The terms of rehabilitation and funding improvement plans should not be required to be disclosed in the footnotes to an employer's financial statements. The terms of those plans are so complicated and lengthy as to make the challenge of efficiently summarizing them without overwhelming the user impossible. Such plans can run to twenty or more pages with additional schedules and alternative structures. In addition, the collective bargaining process, not the terms of the rehabilitation plan, dictate whether the employer will experience increased labor costs as a result of the terms of such a plan. The employer is not generally required to reopen its collective bargaining agreement in order to meet the terms of a rehab or funding improvement plan. Significantly, the collective bargaining process could result in no increase in the labor costs of the employer because the increased contributions required by a rehabilitation plan often come from a reallocation of the employees' negotiated wages, a decreased contribution to a defined contribution plan or the elimination of contributions for other benefits. Alternatively, FASB may wish to require the disclosure of whether an employer is paying a surcharge on its pension contributions because it has failed to adopt a rehabilitation plan. The existence of that surcharge would indicate to a reader that a rehabilitation plan has been adopted by the plan trustees, but that the employer has not yet renegotiated its collective bargaining agreement to adopt the terms of the rehab plan. This would indicate to the user that future increases to pension contributions may be required. However, the terms of a rehabilitation plan or funding improvement plan should not be disclosed because it is inappropriate to signal the user of the financial statements that the existence of such a plan means that the employer's labor costs will increase in accordance with that plan because it assumes that the employer will bear the entire cost of the required contributions.

Given the trustees' duty of loyalty and the speculative nature of considering possible alternatives, the Trustees' deliberations regarding rehabilitation and funding improvement plans are not relevant to or appropriate for disclosure on the financial statements of all the employers that contribute to the plan. The permutations of possible benefit and contribution changes are vast. The disclosure of that amount of information would not be helpful to a user of the financial statement. In addition, the rehabilitation plans and funding improvement plans merely under consideration by a plan are not relevant to an employer since those variations that are not adopted will have no impact on him and since even an adopted rehabilitation plan or funding improvement plan presents no obligation to the employer until after his collective bargaining agreement expires. Moreover, the data involved is confidential to the plan and would not be known to the employers – other than the trustees - anyway. Since the disclosure of confidential data, its relevance, and its benefit to the user are highly suspect, the FASB should remove the requirement that any warning zones or remedies should be disclosed whether or not the employer is aware of such information.

Changes Affecting Comparability: Business Structure & Rates – 715-80-1B(d)

We agree that an employer should be required to disclose material changes in its business structure that can affect its financial obligations with respect to the plan. However, changes in the rates of contribution should only be required in a summarized fashion (e.g., as an expression of a percentage increase over a period of time) as set forth in an existing collective bargaining agreement. Specific disclosures of contributions may constitute proprietary information of the employer or the plan.

Obtainable Plan Total Assets and Accumulated Benefit Obligations – 715-80-1B(e)

This amount is properly reported by the plan itself on the plan's Form 5500. As noted above, those forms are available for free on the internet. We also note that the recently imposed requirement that plans electronically file their Form 5500 will likely result in the posting of that report on a more current basis. Moreover, the amount of the accumulated benefit obligations of a plan as a whole is usually immaterial to the employer's obligation to make continued payments pursuant to an existing collective bargaining agreement. The reporting of that amount on any one employer's financial statement may mislead the user to think that the employer is responsible for that total benefit obligation. This is misleading because the employer's potential exposure to increased contributions is limited by numerous exceptions to withdrawal liability and generally would require the employer to actually withdraw. Usually that decision is entirely in the control of the employer. Without a withdrawal or if an industry exception applies, no withdrawal liability would be due at all. In addition, other limitations include an annual cap on payments due to the plan that is designed to approximate the employer's contribution history. The annual payments are also limited to 20 years (although under normal circumstances, few cases of withdrawal liability extend that long). In addition, the employer may be relieved of paying anything at all depending on the deminimis exception, the five-year free look rule, rules that come into play when an employer sells its assets, special rules for the construction and entertainment industries, and the like. Since the amount of the accumulated benefit obligation of the plan as a whole can be found on the Schedule MB of the plan's publicly available Form 5500, the information can be readily obtained by the user without creating the inference that the employer is responsible for the total plan accumulated benefit obligation. The burden of reporting plan information should not be placed on the employer, and the requirement should be deleted.

Employer's Contributions as a Percentage of Total Contributions – 715-80-1B(f)

As long as the employer may base its percentage on the data published in the plan's most recent Form 5500, we agree that an employer should report the percentage of its contributions to a material plan with respect to the total employer contributions made to such plan. That information should be presented in the aggregate except in cases where the employer's contributions to that plan constitute 33% or more of the employer's total contributions to all the multiemployer plans in which it participates.

Contractual Arrangements: Term, Contribution Basis & Minimums – 715-80-1B(g)

Since an employer's obligation to make continued payments to a multiemployer plan is dependant upon the terms of its existing collective bargaining agreement, we believe it is appropriate to describe those terms. However, given the large number of plans to which many employers contribute, the obligation to disclose those terms should be limited to material plans which constitute a threshold percentage of the employer's total contributions to all multiemployer plans in which it participates. We suggest that the disclosure regarding the particulars of a CBA be limited to the CBA's pursuant to which an employer contributes to a plan which constitutes 33% or more of its total contributions to all multiemployer plans. The terms of those agreements should be noted in the aggregate and may include a range of expiration dates. Increases in employer contributions specified in the CBAs should be expressed as a range of aggregated percentage increases over a period of years.

It is especially important to set forth the expiration date of the CBA since the expiration date may trigger the employer's obligation to bargain regarding the terms of a rehabilitation plan or funding improvement plan. Prior to the expiration date, the terms of a rehab plan or a FIP generally are not relevant to the employer's continued payment obligation to the plan. The summary of the terms regarding the obligation should be based on the information readily available to the employer since some employers may contribute pursuant to national agreements which simply defer to the wage and benefits provisions of the CBA in the area in which they are working. In those cases, the information would not be readily available to them.

Amount of Contributions Covered by the Financial Statement – 715-80-1B(j)

We agree that the amount of the contributions for the period covered by the financial statement should be reported by the employer, aggregated for all plans unless the employer's contributions to the plan constitute 33% or more of the employer's total contributions to multiemployer plans in which it participates.

Expected Contributions for the Next Annual Period – 715-80-1B(k)

The terms of the expected contributions for the next annual period should be reported to the extent that they are limited to the provisions of 715-80-1B(g). Requiring the employer to express a specific prediction of future contributions beyond the terms of an existing CBA would be speculative. Because the total dollar amount of an employer's contributions is often based on the amount of covered service or pay of plan participants, disclosure of the expected amount for a future period could reveal proprietary information about an employer's expected volume of covered activity. In addition, the disclosure of the employer's expectation would inappropriately interfere with the collective bargaining process by revealing the employer's willingness to accept a particular outcome regarding the negotiation of wage and benefit packages. In some instances where additional contributions are required to improve or rehabilitate a multiemployer plan's funding situation, the increases may come out of the wage package of the employee and may not increase the total labor cost of the employer. The key to future increases in an employer's total labor cost is not contained in the terms of the rehabilitation plan, it is determined by the collective bargaining process. The disclosure of the employer's expected last best offer in its financial statement interferes with the collective bargaining process and may produce unnecessary labor strife.

Known Trends in Contributions – 715-80-1B(l)

The disclosure of know contribution trends should be limited to those set forth in our comments to 715-80-1B(g) per our analysis contained above with respect to 715-80-1B(k).

Amount Required to Be Paid on Withdrawal or Windup of the Plan 715-80-1B(m)

To the extent that the final rules require the disclosure of an employer's potential withdrawal liability from a multiemployer plan, the resulting financial statements are likely to provide misleading information to the user because the historical withdrawal liability amounts maintained in a plan's records are not an adequate proxy for an employer's potential liability to the multiemployer plan upon a withdrawal in the future. Disclosure of an employer's withdrawal liability is also problematic because ERISA provides for various legal exceptions depending on the circumstances, such that the actual liability for certain employers and industries will be waived or significantly reduced in the event of their withdrawal. ERISA also provides for annual limits on the amount of withdrawal liability. For example, there generally is a cap on the annual amount of withdrawal liability an employer is required to pay to a plan based upon an average of its past contribution history. This number could be significantly less than the total withdrawal liability that is required to be disclosed by the exposure drafts. The limitation on the size and amount of the payments is intended to mitigate the impact on the cash flows of the withdrawing business. The exposure drafts fail to take into consideration the legal limitations and exceptions to an employer's funding obligations to a multiemployer plan thereby requiring the reporting of information that will mislead users of the financial statements.

Most importantly, the large majority of employers contributing to multiemployer plans will never pay any withdrawal liability to a plan. The primary way to incur withdrawal liability is to cease contributing. That decision is generally within the control of the contributing employer. Moreover, complex legal rules under ERISA provide for exceptions to an employer's obligation to pay withdrawal liability to a multiemployer plan even if it does cease to make contributions. For example, a construction employer contributing to a construction multiemployer plan will not incur withdrawal liability if it ceases to contribute to the plan and does not continue to perform covered work in the jurisdiction of the governing collective bargaining agreement. To the extent such employers are required to disclose their potential withdrawal liability, the amount may not only be inflated, it may never be due at all. The industry exceptions combined with other limitations discussed above and additional limitations that reduce or, as a practical matter, eliminate liability upon liquidation or bankruptcy make clear that the requirement to disclose the plan's withdrawal liability figure by an employer is prone to be misleading and could undermine the integrity of the financial statement.

The timing of the disclosure also makes the withdrawal liability amount potentially inaccurate. The amount of liability is determined based on the plan's financial status at the end of the plan year preceding the withdrawal, so the asset values, interest rates, and allocation fractions which are used may be dramatically different from those that would be utilized in the event of an actual withdrawal in the future. In addition, it takes at least several months for a plan to collect all the necessary data and the actuary to compute the plan's funding status and an employer's withdrawal liability. During that time, the plan funding status may have improved or worsened so as to render the information presented stale. In addition, the fiscal year for hundreds of employers involved in multiemployer plans end on different dates, further resulting in the disclosed withdrawal amount being variable and untimely.

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?*

We believe that the disclosure of estimated withdrawal liability even when withdrawal is not at least reasonably possible will not provide users with useful information. The concerns we addressed in our September 20, 2010 letter commenting on Exposure Draft 450 are applicable with respect to Exposure Draft 715-80. We urge the Board to consider the additional comments it is receiving regarding the 715-80 provisions contained in Exposure Draft 450, and we ask that the changes to each of the exposure drafts be consistent.

We also note, that the reporting requirements in Exposure Draft 715-80 would completely subsume those proposed for an actual contingent liability in Exposure Draft 450. This signals investors and other users of financial statements that they should perceive the participation by an employer in a multiemployer plan to be a contingent liability of that employer. Such a view is erroneous. The level of reporting withdrawal liability should be addressed per our September 20, 2010 Exposure Draft 450 comment letter, and the requirements for reporting with respect to a multiemployer pension obligation that does not rise to a contingent liability should be less than the probable obligation that does.

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 proposed disclosures will be costly, especially since the data necessary to provide the proposed information is not currently available under routine plan administrative practices. The cost associated with determining individual employer withdrawal liability on an annual basis is likely disproportionate to any benefit provided to the user of the financial statement. The time and money required to make the proposed disclosures will place significant financial and logistical burdens on multiemployer plans or contributing employers, depending on which will bear the expense. Currently, a very small portion of contributing employers (some have estimated as low as 2%) request the calculation of their withdrawal liability for each year. The law provides that an employer is entitled to receive that information once annually but may be charged a fee by the plan for the calculation. If a national multiemployer plan with thousands of contributing employers receives requests from all of those employers, the increased administrative expense and burden will be overwhelming. Currently, the earliest that a plan could provide that information is 8 months from the end of its plan year. Given the high volume of requests, it is highly unlikely that a plan could provide the necessary information in a timely fashion unless its administrative costs are dramatically increased. Ironically, this would effect the funding position of the plans. In some cases, the employer may be unable to timely obtain the necessary information at any price.

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?*

As detailed above and given the complexity and cost of the administrative processes necessary for an employer and multiemployer plan to comply with the proposed disclosures and the need for better outreach to the effected stakeholders in the process, we suggest that the FASB reissue the exposure draft after considering ours and other users responses, and then extend the comment period in the next exposure draft for a more appropriate overall stakeholder response. In any case, the effective date should be extended to a no earlier implementation date than 2013.

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.*

It is the essential that the effective date for public entities be deferred until 2013, and the effective date for private entities should be at least one year later than those for public entities.

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?*

See our response to Question 5. As further explanation, nonpublic entities need more time as they are typically not as aware of changes to accounting pronouncements as are public entities due to the lack of resources.

* * * * *

We appreciate the Board's and FASB Staff's hard work in this area and offer our assistance in any way you think helpful. An alternative example based on our comments and suggestions above is attached for your reference. Again, thank you for the Board's consideration of our comments.

Sincerely,

James V. Cole II

EXAMPLE

Per our alternative suggestions and criteria for disclosure set forth above, we offer the following example disclosures:

Corporation X is a construction employer that contributes to 100 multiemployer defined benefit pension plans across the United States. X's total contributions to those plans over the reporting year was $100 million. Of that $100 million, $33 million was contributed to multiemployer Plan A, $33 million was contributed to multiemployer Plan B, and the remaining $34 million was contributed to the other 98 plans. Of the remaining 98 plans, no one plan received more than $33 million in contributions from X. The names and EIN numbers for each of the material plans to which X contributed for this reporting year are listed below.

During the prior year, X contributed $99 million to 110 multiemployer plans: $35 million to Plan A, $30 million to Plan B, and the remaining $34 million to the other 108 plans. Of those 108 plans, no one plan received more than $33 million in contributions from X.

Plan A is a multiemployer plan established under the Taft-Hartley Act which covers participants that work for more than one employer. Like all multiemployer plans, administration of the plan is governed by a Board of Trustees. The members of the Board of Trustees are appointed by union B and the sponsoring employer association C. X is a member of employer association C.

Contributions to Plan A by contributing employers are required pursuant to the terms of a collective bargaining agreements between X and unions Y and Z. Those collective bargaining agreements expire between 20xx and 20xx. Under the CBAs, the base contribution rate for the remainder of the term increases approximately ___% to ___% each year. Otherwise, X is not required to increase its contributions to Plan A until its collective bargaining agreements expire unless it is required to pay a surcharge on its contributions because it has failed to increase those contributions pursuant to laws governing multiemployer plan funding. During the reporting year, X did not pay a surcharge [paid a surcharge of 5% [10%]] on its contributions.

Plan A received a total of $___________ in contributions from all contributing employers from _______ to _______ During that same period, Plan A covered _________ active participants and ______ retired participants.

In the event that X ceases to contribute to Plan A on behalf of its employees, it may be obligated to make annual payments to the plan. Generally, however, the annual payment amount does not exceed an averaged amount of the highest contributions (measured at the highest rate and units of contribution) made by X to Plan A over the last 10 year period. Such annual payments are not required to be made for more than 20 years unless all of the employers contributing to Plan A withdraw or upon the withdrawal of substantially all the contributing employers pursuant to an agreement or arrangement to withdraw.

Plan B is a multiemployer plan established under the Taft-Hartley Act which covers participants that work for more than one employer in the construction industry. Like all multiemployer plans, administration of the plan is governed by a Board of Trustees. The members of the Board of Trustees are appointed by union B and the sponsoring employer association C. X is a member of employer association C.

Contributions to Plan B by contributing employers are required pursuant to the terms of a collective bargaining agreements between X and unions U and Z. Those collective bargaining agreements expire between 20xx and 20xx. Under the CBAs, the base contribution rate for the remainder of the term increases approximately ___% to ___% each year. Otherwise, X is not required to increase its contributions to Plan B until its collective bargaining agreements expire unless it is required to pay a surcharge on its contributions because it has failed to increase those contributions pursuant to laws governing multiemployer plan funding. During the reporting year, X did not pay a surcharge [paid a surcharge of 5% [10%]] on its contributions.

Plan B received a total of $__________ in contributions from all contributing employers from _______ to _______ During that same period, Plan B covered _________ active participants and ______ retired participants.