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Technical Director
File Reference No. 1860-100
Compensation - Retirement Benefits - Multiemployer Plans (Subtopic 715-80)
Financial Accounting Standards Board
401 Merrit 7
P.O. Box 5116
Norwalk, CT 06856-5116

Dear Technical Director:

MDU Resources Group, Inc. is a publicly traded, Fortune 500 company providing value-added natural resource products and related services through three core lines of business: energy, utility resources, and construction materials. Its fiscal year is the calendar year. Many of our subsidiary companies are parties to collective bargaining agreements and contribute to multiemployer plans under the terms of those agreements.

We agree with the many thoughtful comments that have already been submitted to the Board regarding the speculative nature of and burdensome cost in providing several of the disclosure items that would be required under the above-referenced FAS Exposure Draft. To avoid repetition we are specifically focusing our comment on 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 amendment?

Comment on Question 4:

We understand the importance of transparency and meaningful disclosure to our constituents. However, the proposed December 15, 2010 effective date is not feasible because very little of the information is readily obtainable.

Regardless of whether a participating employer is a private or public entity, the information necessary to make the proposed disclosure in large part must be obtained from the multiemployer plan administrator. Federal statutes and regulations, the Employee Retirement Income Security Act ("ERISA"), determine exactly what information and documents multiemployer plan administrators must provide, to whom they are obligated to provide it, and when they must provide it, 29 U.S.C. § 1021(f), (k), and (l) [ERISA § 101(f), (k), and (l)], 29 C.F.R. §2520.101-6. What is requested for disclosure may not be available. Multiemployer plan administrators are only required to provide a requested actuarial report, annual report or withdrawal liability estimate to participating employers once every 12 months and do not have to provide reports or information that have been in their possession for less than 30 days. Information is generally to be provided within 30 days of the request, but a multiemployer plan administrator has 180 days or more to respond to a request for an estimate of potential withdrawal liability. Many of the plans operate on a fiscal year and not on a calendar year as we do. Therefore, as a result of these existing timing rules, an ill-timed request for reports or information, such as a request in the middle of the plan's fiscal year, will result in stale information, yet leave us unable to obtain timely relevant information when it first becomes available within the next 12 month period and before it, too, becomes stale.

While the Pension Protection Act of 2006 does state plan administrators must provide certain information to participating employers, the final regulations to implement this requirement were not effective until April 1, 2010, 75 FR 9334 (March 2, 2010). Our success in obtaining relevant information prior to issuance of these regulations was limited at best. We began again requesting information from the multiemployer plans in which our subsidiaries participate this summer. Even with the new regulation in place, we will not have the information identified for the proposed disclosure by the end of this year. Our experience has been that not all plans are able to provide the requested information within the legally mandated time period. Bear in mind, too, that an estimate of potential withdrawal liability need not be made available for 180 days or longer after the request. Since the advent of this Exposure Draft, we have observed that the multiemployer pension plans are taking even longer to respond, as they receive more and more requests from participating employers. Moreover, with the exception of the funding notice required under 29 U.S.C. §1021 (f) [ERISA § 101(f)], participating employers have no individual right under ERISA to enforce the plan administrator's duties to provide this information; rather, our sole redress is to petition the Secretary of Labor for enforcement. Finally, once information is received, the review is a time consuming process.

The short time frame created by the issuance of this exposure draft on September 1, 2010, comment closure on November 1, 2010, and proposed implementation after December 15, 2010, further places all public entities in a quandary. If we exercise our limited right to request information now, before the final accounting standard is in place, we may lose the ability to obtain the information that is ultimately required under the final accounting standard for the 2010 reporting period.

Moreover, this expedited deadline for implementation will require us to request information from multiemployer plans needed for making business decisions at a time that is not based on the best interests of the business. The timing of the initial request for information in order to meet the Exposure Draft implementation deadline will in many cases be different from the timing of our request were this decision left to us unfettered by this expedited reporting obligation. By delaying implementation for at least one year, we will be able to use prudent business judgment in exercising our limited right to request information from each multiemployer pension plan in which we participate. Additionally, a number of the collective bargaining agreements in which we participate are negotiated by an employer association on behalf of us and other employers. Absent delay, these employer associations will lose the ability to negotiate efficient across-the-board disclosure agreements with the unions that co-sponsor the multiemployer pension plans governed by these collective bargaining agreements. We cannot control the agenda of these employer associations, or dictate the timing or content of their periodic meetings. The expedited nature of this change in reporting practices leaves us unable to make full use of our membership in these employer associations to effect the necessary voluntary agreements with the multiemployer pension plan boards that would permit us to obtain reports and information more frequently and in a more useful format than required by law.

We therefore respectfully request that the Board delay the implementation of any new accounting standard regarding multiemployer plan participation at least one year for all entities. By doing so:

- the Board will be able to give full consideration to the thoughtful comments that are being provided;
- the Board will be able to issue an accounting standard that provides meaningful disclosure to the various constituents;
- multiemployer plan administrators will have the time to process the deluge of information requests they are receiving; and
- companies will be able to optimally time their requests for information and adequately review and process the information received for disclosure.

Thank you for your consideration of our comments.

Sincerely,

Paul K. Sandness
General Counsel and Secretary