

From: [Nathan Philips](#)
To: [Director - FASB](#)
Subject: File Reference No. 1860-100
Date: Thursday, October 21, 2010 6:38:50 PM

I am writing to express my opposition to FASB proposal 715-80. While I do not pretend to be an accountant or to understand all the subtle implications of FASB rules, I do understand the devastating effects that requiring balance sheet disclosure of hypothetical losses would have on the construction industry and the national economy in general. Unnecessarily degrading the financial position of construction contractors by overstating liabilities will cause lines of credit, term loans and bonding to become virtually impossible to procure.

I fully support FASB's efforts to increase transparency and improve the accuracy of financial statements, but balance sheet reporting of withdrawal liability from pension plans is misleading and inaccurate for several reasons.

First, the calculation of withdrawal liability is extremely time sensitive and can grossly overstate the true loss potential. Second, such a disclosure assumes that the company is likely to incur the cost which is inaccurate. Withdrawal liabilities only occur in a very limited set of circumstances and listing them on the balance sheet equates them to bank loans and mortgages.

The consequences of this proposed rule are vast and it imposes an expensive administrative burden on pension plans and employers. The costs are great yet the information is likely to be of questionable value considering the highly mobile work force and the stability of companies participating in multi-employer pension plans in the construction industry.

I recommend that the proposed rule be amended to require balance sheet disclosure of withdrawal liability only when it is likely to incur or is intended to be incurred in the future. Under ERISA withdrawal liability is assessed only if the plan is underfunded. In the vast majority of cases, it is unlikely that an employer will stop contributing to a defined benefit plan and actually incur withdrawal liability.

Thank you,

Nathan Philips
Chairman
Integrated Electronic Systems, Inc.
541 Willamette St.I, Suite 109
Eugene, OR 97401
541-686-1807 O
541-915-3013 C
nathan@np-llc.com

