

From: [Matthew Labosky](#)
To: [Director - FASB](#)
Subject: File Reference No. 1860-100
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Dear Sirs;

Over Legislation and Unfunded Mandates are killing small American businesses like mine. I have recently heard that your department is continuing the trend by imposing new reporting rules. You may think that they are of small consequence to you. But, you have to walk the path in my shoes to see just how difficult a climb it may be.

We feel that Proposal Topics 450 and 715-80 from the Financial Accounting Standards Board (FASB) pose serious implications for union electrical contractors and everyone else participating in multiemployer defined benefit pension plans.

The **major** problem is that the proposals disregard the unique rules on incurring liability under construction industry multiemployer pension plans and so pose the threat that sureties, banks and other users of a construction employer's financial statement will be turned off by misleading information about a potential liability that is merely speculative and not **actually incurred**.

There are several concerns with the proposals.

- Misleading information – As much as we understand the need for greater transparency with respect to financial decision-making by crediting institutions, we believe FASB's request for additional disclosures will produce **misleading and inaccurate** information.
 - Most withdrawal liability estimates will be **more than a year out-of-date** when financial statements are published.
 - The financial markets have been volatile; in the past two years, the S&P index returned -37% in 2008 and +26% in 2009.
 - The **20-year cap on payments and likelihood of up-front payments make it unlikely that we will cover the full withdrawal liability assessment**.
 - Construction maintains a mobile, transient workforce. How would we report the number of actual and retired workers? At what point in time would such a calculation be made? Would this include anyone who ever worked for an employer?
- Inconsistent with National Public Policy – Over the past several years, Congress has passed laws aimed at strengthening employer-sponsored pension plans. Congress does not want to see these plans fail. Congress has passed laws to set out special rules (ERISA) for the construction industry with respect to withdrawal liability; **FASB's proposals should respect such public policy and not attempt to issue "one-size-fits-all" standards**.
- Withdrawal liability unlikely – FASB is requiring that every employer determine what their withdrawal liability would be and disclose such figures on financial statements even though **the reality is that we have no intention to and will not take those steps to cease contributing to a plan and "go non-union" within five years**.

- Cost and administrative burdens – The **sheer volume of paperwork will place an unreasonable burden on employers. Our trust funds will have to fund actuarial calculations for the number of defined benefit plans in which they participate.** Plans will be burdened; actuaries are unlikely to have the resources to meet the demand of performing such calculations for plan participants. Withdrawal liability calculations are expensive to calculate. The cost of a withdrawal liability assessment will likely be our responsibility.
- Inappropriate to disclose certain information – With respect to the 715-80 proposal, **it would be inappropriate to comment on future strategies related to collective bargaining.** For example, information related to funding improvement plans or rehabilitation plans that are under consideration could be proprietary in nature.

Please Reconsider imposing proposal topics 450 and 715-80 on the thousands of Small Loyal American Made Businesses like mine. Thank You, and GOD BLESS AMERICA.

Matthew Labosky, President
Blanding Electric, Inc.