September 30, 2011

Director of Research and Technical Activities
Project No. 34-E
Governmental Accounting Standards Board
P.O. Box 5116
Norwalk, CT 06856-5116
www.gasb.org

We appreciate the opportunity to read and respond to the draft “Proposed Statement of the Governmental Accounting Standards Board, Accounting and Financial Reporting for Pensions.” Members of our staff have read the proposed standard and offer the following comments.

1. The proposed standard achieves the objectives of the proposed statement.

2. We agree with the alternative view in paragraphs 287 – 290 regarding the appropriate discount rate to determine projected benefit payments, specifically with the statement, “Other liabilities are not measured based on the anticipated prospect of earnings from the sources from which they are expected to be paid.” If net pension liabilities meet the definition of a liability in concept statement 4, they should be treated as other general long-term liabilities.

3. “Substantial proportion” is used throughout the proposed statement and should be defined.

If you have any questions concerning our comments, please contact me at bkedish@mt.gov.

Sincerely,

/s/ Brenda Kedish

Brenda Kedish

By e-mail