



CENTRAL PENSION FUND OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS AND PARTICIPATING EMPLOYERS

4115 CHESAPEAKE STREET, NW, WASHINGTON, D.C. 20016-4665

202-362-1000 | FAX 202-364-2913 | WWW.CPFIOE.ORG

January 23, 2003

Kimberly Cook  
Project Manager  
International Accounting Standards Board  
30 Cannon Street  
London EC4M 6XH  
United Kingdom

Re: ED 2 Share Based Payment Dear Kimberly:

On behalf of over 150,000 participants of the Central Pension Fund of the International Union of Operating Engineers and Participating Employers, I am pleased to comment on the International Accounting Standards Board's exposure draft regarding share-based payments. Our participants have a direct stake in global financial markets, and we encourage any actions by the IASB to improve the integrity of the markets through greater disclosure of relevant financial information.

CPF, a member of the Council of Institutional Investors (CII), supports the view that stock options are compensation, have a cost, and that those costs should be included on reported income statements. Valuation assumptions should also be disclosed. We encourage the IASB to adopt the suggestions of CII to improve the proposed rule by providing disclosure of details about the number of shares available for future award under all plans, descriptions of material modifications to existing awards, and to carefully consider the appropriate treatment for tax effects of share-based payments. We also join the CII in urging the IASB to resist the pressures from groups interested in killing the proposal. Stock option programs have been abused, and proper disclosure will deter further abuse in the future.

CPF thanks the IASB for your work on improving financial reporting standards, efforts that are more critical today than ever before.

If you have any questions, please give me a call.

Sincerely,

  
Michael R. Fanning  
Chief Executive Officer

cc: Sarah A. B. Teslik .CII