EXHIBIT 2
Current Accounting Practices and Issues

Items	Current Accounting Practices	Current Issues
Definition and scope	Accounting for postretirement benefits applies to any arrangement that is similar in substance to a pension plan, regardless of the form or means of financing.	■ Whether a benefit arrangement with an individual, or a group of employees, should be accounted for as a plan pursuant to SFAS 87 and 106 or as an individual agreement pursuant to APB Opinion 12. ■ Whether the arrangements covered by SFASs 87 and 106 should be legal or implied.
MEASUREMENT: **Benefit obligations**	Projected benefit obligations are the present value of pension benefits earned to date, calculated based on future salary levels.	■ Whether amounts disclosed in the footnotes for pensions and postretirement benefits based on future salary levels are present obligations that meet the definition of a liability. ■ Whether the projected benefit obligation, accumulated benefit obligation, or some other measure of the benefit obligation is the most relevant measure.
Determination of discount rate	The discount rate is the rate inherent in the price at which the plan's obligations could be effectively settled (that is, a defeasance notion) at the measurement date by looking at the prices of either annuity contracts or high-quality fixed-income investments.	■ Whether high-quality fixed-income investments represent what the obligation could be settled for with an independent third party. ■ Whether to use a risk-adjusted rate which includes a profit factor to calculate present value of future benefit obligations.
Plan with lump-sum settlement features	Employee's benefit is defined in terms of a cash balance. The lump-sum balance at any given date may be more or less than the amount determined for the PBO according to SFAS 87.	■ Whether the obligation for such plans should be based on the amount an employee would be entitled to receive as of the measurement date, or on discounted future cash outflows that assume a separation of employment in the future.
RECOGNITION: **Expected long-term rate of return versus actual returns**	The amount of earnings from investments of plan assets recognized in each period is based on the expected rate of return over a long term. Actual gains and losses are recognized only on a delayed basis to reduce earnings volatility.	■ Whether this practice has resulted in financial statements that do not depict the economic conditions and results of each reporting period. ■ Whether to recognize actual or long-term expected return on plan assets in each accounting period.
Value of plan assets used to determine return on assets	The market value of plan assets is used to calculate the expected return.	■ Whether companies may use calculated value to determine the expected return on assets when a fair value is available; whether this results in an incorrect estimate of return on assets. ■ Whether to use fair market value or market-related value of plan assets.
Actuarial gains and losses and the 10%-corridor approach	Actuarial gains and losses are not required to be recognized in the period in which they arise unless the accumulated gains or losses exceed 10% of the greater of the benefit obligation or the market-related value of plan assets.	■ Whether to recognize actuarial gains and losses immediately to better reflect current values of plan assets and obligations on the balance sheet, or defer them to reduce earnings volatility.
Items	**Current Accounting Practices**	**Current Issues**
Plan amendments	Additional benefits for past services (prior service coats) arising from plan amendments are amortized over the employees' future service periods.	■ Whether to immediately expense such prior service costs, or to recognize them over the period of expected future service or the period of vesting.
Minimum liability	SFAS 87 requires immediate recognition of a liability (the minimum liability) when ABO exceeds the fair value of plan assets. Statement 106 does not require the recognition of such a liability.	■ Whether to recognize an additional minimum liability for postretirement benefits other than pension similar to that for pension plans.
CLASSIFICATION: **Income statement presentation of net periodic pension cost**	Different elements of pension costs are combined and reported as a net number.	■ Whether to present different element of pension costs separately on the income statement, or combine them into one number. Whether combining these different cost elements into one figure as part of compensation cost incorrectly characterizes financing and investing gains and losses as costs of sales and operating expense.
Recognition of plan assets and benefit obligations	Qualifying plans assets and liabilities are not consolidated into the reporting entity's balance sheet.	■ Whether to reflect such assets (overfunded obligations) or liabilities (underfunded obligations) in the sponsor's statement of financial position.
Cash flow statement presentation of postretirement benefits	SFASs 87 and 106 do not require any specific cash flow presentation.	■ Whether to provide more-detailed information about operating, investing, and financing cash flows associated with pensions and postretirement benefits in the statement of cash flows. ■ Whether to report as operating cash outflows the benefit payments made to plan participants from a dedicated pension trust fund.