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Letter of Comment No: 5
File Reference: FSPFAS106A



Rajeev Bhalla
Vice President and Controller

December 22, 2003

Director, TA & I—FSP
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Sent via email to director@fasb.org, File Reference FSP FAS 106-a

Re: FSP FAS 106-a
Proposed FASB Staff Position
Accounting and Disclosure Requirements Related to the Medicare Prescription Drug,
Improvement and Modernization Act of 2003

Lockheed Martin Corporation welcomes the opportunity to provide comments on the proposed FASB Staff Position (FSP 106-a) concerning FAS 106 and the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the Act). Lockheed Martin is a publicly traded corporation principally engaged in the research, design, development, manufacture and integration of advanced technology systems, products and services. In 2002, we reported sales of \$26.6 billion.

We commend the Board and the FASB staff's timely recognition of the number of issues that resulted from the new law's enactment, and we agree with the proactive response taken in the form of this proposed guidance and the position taken therein.

We believe that any meaningful measurement of the effects of the Act at this time is problematic, given the uncertainties concerning the ultimate implementation requirements of the new law and the question of whether the provisions of FAS 106 fully address all of the accounting issues associated with the Act. Under the circumstances, we do not believe that an attempt to quantify and record an amount in the financial statements resulting from passage of the Act, at this time,

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would result in improved or reliable financial reporting, and are concerned that quite the opposite could occur.

In short, we agree with the FASB's staff that such an attempt would be premature, and agree with the conclusion that such an attempt should not be undertaken. We also agree that disclosure of available information concerning the effects of the Act, to the extent it is known, should be made.

Thank you for considering our comments during your further deliberations.

Sincerely,

/s/ Rajeev Bhalla
Vice President and Controller