## **Martin Marietta Materials**



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Anne H. Lloyd
Senior Vice President,
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January 8, 2007



LETTER OF COMMENT NO. 303

Mr. Robert H. Herz Chairman, Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

Dear Chairman Herz:

On behalf of Martin Marietta Materials, Inc. (NYSE:MLM), I strongly urge the Financial Accounting Standards Board to delay the effective date of FIN 48 on Accounting for Uncertainty in Income Taxes to allow companies sufficient time to address the substantive, procedural and documentation challenges posed by the new interpretation. Specifically, I recommend that the effective date of FIN 48 be deferred to fiscal years beginning after December 15, 2007. The challenges of implementing FIN 48 were articulated by Tax Executives Institute in a letter it sent to you on December 12, 2006.

Martin Marietta is the nation's second largest producer of construction aggregates, a leading producer of magnesia-based chemical products and is developing structural composites products for use in a wide variety of industries. We have had an internal task force consisting of members of tax, finance, operations and independent consultants who have been working on the adoption of FIN 48 from the early stages of exposure and more diligently since the final standard was released on July 13, 2006. Despite the resources employed to analyze and understand the new rules, there remains a significant amount of uncertainty in interpreting and applying FIN 48. This uncertainty creates restatement risk that arises from inadvertent errors made in the adoption of FIN 48. Further, the time burden is even more detrimental for public companies that are required by SAB 74 to disclose the impact of new standards in their annual reports to the SEC within 60 days after year-end.

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Many calendar year companies, including our own, were unable to devote adequate resources to the adoption of FIN 48 due to tax compliance deadlines in September and October and quarterly financial reporting for SEC filings in the third quarter. In addition to these compliance burdens, many of these same companies continuously devote resources to managing income tax audits involving multiple tax jurisdictions. Corporate tax departments today face ever-increasing scrutiny from external forces and the resource requirements for supporting the adoption and on-going compliance with FIN 48 is a significant challenge for companies.

In summary, extending the deadline for implementing FIN 48 will permit companies and their independent auditors to resolve unanswered questions and thus reduce the likelihood of diversity in practice, which in part prompted the development of FIN 48; reduce the unnecessary restatement risk associated with adopting a standard that has not been fully vetted; and minimize internal control risk related to new standard adoption. I cannot comprehend that creating uncertainty in the capital markets surrounding the adoption of a new accounting standard will assist in achieving the FASB's goals surrounding FIN48.

Respectfully,

Anne H. Lloyd

AHL/dt

c: Stephen P. Zelnak, CEO Pam Kelly, Corporate Tax Director

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