December 15, 2010

Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, Connecticut 06856-5116

Subject: File Reference No. 1850-100, Proposed Accounting Standards Update, Leases

Dear Sir/Madam:

I appreciate the opportunity to comment on the Proposed Accounting Standards Update, Leases ("the Proposal") on behalf of Marriott International, Inc. ("Marriott"). Marriott is a worldwide hospitality company with operations in five business segments: North American Full-Service Lodging; North American Limited Service Lodging; International Lodging; Luxury Lodging; and Timeshare. At the end of our 2010 third quarter, we operated or franchised 3,518 properties (611,566 rooms) worldwide.

First, while we support the Financial Accounting Standard Board’s (FASB) effort to provide financial statement users with a common leasing standard for U.S. GAAP and IFRS and remove bright line tests that dictate the current lease accounting classification, we have conceptual concerns about several of the principles included in the Proposal. As discussed in more detail below, our concerns include the requirements regarding estimating the lease term and contingent rents, the required gross up of assets and liabilities on the statement of financial position, and the increased disconnect between the cash rents paid and the interest expense recognized. Because Marriott is a lessee more often than a lessor, our comments are focused on the lessee’s perspective of the Proposal.

Given the judgmental nature of the estimates that would be required in the Proposal, the likely resulting income statement volatility and decreased user confidence, and the disconnect between the economics of most lease transactions and the accounting impact of the guidance in the Proposal, we believe that the existing accounting guidance for operating leases -- requiring only disclosure in the notes to the financial statements -- is preferable to the approach taken in the Proposal. We would however support enhancing existing disclosure requirements, particularly regarding contingent rents. Recognizing that the FASB may not ultimately agree with that position, our comments below try to strike a balance between existing lease guidance and the guidance in the Proposal.

We believe that the Proposal is overly complex and would introduce greater volatility to our earnings as a result of the subjective nature of the judgments involved in forecasting lease terms, renewal periods and the contingent rents. Predicting renewal terms and contingent rents on a long term lease are very difficult and even the most thoroughly developed probability weighted outcomes will most likely change significantly in the future. Furthermore, the implementation costs and
recurring costs associated with the systems and processes that would be required for appropriate internal controls upon application of the Proposal’s requirements would exceed the benefits.

The Proposal requires companies to estimate the longest possible lease term that is “more likely than not” to occur. We believe that the “more likely than not” threshold is too low and would result in estimates with limited value. We suggest a higher threshold, such as including renewal options in lease terms only when the renewal options are reasonably assured of being exercised or only when the renewal options are exercised. As for contingent rents, we propose that they be used to determine the liabilities to make lease payments and the right-of-use assets only if they can be measured reliably, perhaps for a three or five year period of time with footnote disclosure of qualitative information regarding contingent rent payments beyond that three or five year period. As compared to the Proposal, such a change would likely result in less volatile adjustments to the carrying amounts of the right-of-use assets and the related liabilities to make lease payments, thereby increasing user confidence in the financial statements.

Also, we believe that the proposed requirements to separately present both the liabilities to make lease payments and the right-of-use assets in the statement of financial position and to separately classify cash payments for leases in the statement of cash flows from other financing cash flows will decrease transparency and make our financial statements difficult for users to understand. In particular, coupled with the reporting and disclosure requirements of Accounting Standards Update No. 2009-17, “Consolidations (Topic 810): Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities,” the statement of financial position would be extremely confusing. We appreciate the intent of the proposed guidance and recommend additional footnote disclosures in lieu of separate presentation of the right-of-use assets, the related liabilities and cash flows on the face of the financial statements.

The Proposal requires that the right-of-use asset be amortized over the expected term of the lease on a straight-line basis, while the lease liability is amortized using the effective interest method, which results in a higher total expense in the early years of a lease and a lower expense in later years. We believe that it is more appropriate to amortize the asset and record interest expense from the liability on a straight line basis, which would result in a consistent expense being recorded each period.

We have discussed the proposed changes with some of our investors, analysts and users of our financial statements. They do not believe that the proposed rules would provide more clarity or transparency, but rather would create more confusion. In fact, if we did recognize the rental expenses based on the principles in the Proposal, in addition to information presented in our cash flow statement, our financial statement users would likely encourage us to provide supplemental information on a periodic basis that would enable them to reconcile the cash rents paid to the “interest expense” recognized from the underlying lease agreements previously classified as operating.

Thank you for the opportunity to provide comments on the Proposal. We would be pleased to discuss our views with you at your convenience.
Technical Director
December 15, 2010
Page 3 of 3

Sincerely,

[Signature]

Carl T. Berquist
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)