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October 27, 2003

Letter of Comment No: 36
File Reference: 1025-200
Date Received: 10/27/03

Director of Technical Application &
Implementation Activities
Financial Accounting Standards Board (FASB)
401 Merritt 7
P. O. Box 5116
Norwalk, Connecticut 06856-5116

File Reference No. 1025-200

We have reviewed the FASB's Exposure Draft on Its Proposed Statement of Financial Accounting Standards, "**Employers' Disclosures about Pensions and Other Postretirement Benefits.**" We appreciate the opportunity to offer comments for your consideration. Our perspective is that of a major public international company with several plans both within and outside of the United States.

We recognize that recent economic conditions have highlighted the potentially significant effect that pension and other postretirement benefit plans can bear on the overall financial condition of their sponsors. Financial statement users have asked questions concerning what added disclosures could provide better insight into the financial vitality of a given company's benefit plans. We commend the FASB's efforts in evaluating the myriad of alternatives for potential disclosure and balancing the usefulness of such information with the cost-benefit concerns of the preparer.

Notwithstanding, we do have some qualitative reporting concerns regarding several of the proposals contained in the Exposure Draft (ED).

Plan Assets (Issue 1)

If the goal is to increase the transparency of benefit plan disclosures, then, in addition to disclosure of fair value of the various categories of plan assets, disclosure of the "market-related value of plan assets" should also be considered. Market-related value (which incorporates a five-year smoothing aspect to the value computation) is used in the computing net periodic pension expense. The inclusion of this information provides useful information about the use of the market-related value method as it affects the expected long-term rate of return and the amortization of unrecognized actuarial gains or losses if outside of the 10% corridor.

Defined Benefit Pension Plan Accumulated Benefit Obligation (ABO) (Issue 2)

We support your proposal to include this information. The ABO could be useful in providing the user with a "trigger point" for minimum liability recognition, which

affects stockholders' equity. Unlike other requested information in this ED, the ABO is readily available from information currently provided by actuaries.

The proposed schedule of estimated future cash flow information (Issue 3)

Although we can appreciate the intent behind providing such information the proposed requirement to present the employer's future contributions that are either required by law, or are discretionary in nature, or that consist of any noncash contributions, is more forward-looking in nature. We believe this type of information is not suitable for audited financial statement footnotes. Rather, it would be more appropriate to include such information within the Management's Discussion and Analysis - Liquidity and Capital Resources, specifically within the newly SEC-mandated Schedule of Commitments and Contractual Obligations.

Please note that this information is not currently provided or specifically calculated by the actuaries. As Marathon sponsors several plans, we have received indication from our actuaries that the cost of compliance with this requirement might be significant. For example, most actuarial reports do not present gross expected benefit payments and the amount of those gross payments that would be attributable to past service. Also, the fact that this information is not readily available might also render the proposed adoption date difficult to achieve.

The proposed elimination of the reconciliation of beginning and ending balances of the fair value of plan assets and benefit obligations (Issue 8)

We agree with the three Board members who support continuing the reconciliation of beginning and ending balance of the fair value of plan assets and benefit obligations. This present disclosure is useful in that it provides a complete, at-a-glance picture of the dynamics affecting plan assets and benefit obligations from one year to the next. Removing this reconciliation, in our opinion, would be a digression in your efforts to provide easy-to-use, transparent information.

Disclosures considered but not proposed (Issue 9)

We concur with your rejection of the majority of the disclosure items listed under this Issue. In particular, we want to emphasize our agreement with the decision not to require interim-period disclosure of plan assets and benefit obligations (9f). The cost of obtaining such information would far exceed the benefit of monitoring assets and obligations that are long-term in nature.

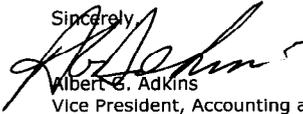
We do believe, however, that the amount and classification of net periodic pension and other postretirement benefit cost (9e) would be useful for analyzing and comparing various income statement line items between companies.

Proposed Adoption Date

As previously mentioned, depending on your final decision regarding the aforementioned issues, we are concerned about the proposed adoption date, especially with respect to SEC registrants with foreign pension plans. We recommend that the FASB consider the complexity and availability of information required and defer the date of adoption until fiscal years ending after December 15, 2004.

Again, we appreciate the opportunity to provide our comments and would also welcome the opportunity to discuss this Exposure Draft further with you or any member of the FASB staff. If you should require additional information, please contact me, Albert Adkins, Vice President, Accounting and Controller, at 713-296-2800 (Agadkins@marathonoil.com) or Joseph Bakies, Manager, Accounting Policy and Research, at 713-296-1816 (Jhbakies@marathonoil.com).

Sincerely,

A handwritten signature in black ink, appearing to read "A. Adkins", written over the printed name.

Albert G. Adkins

Vice President, Accounting and Controller