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Brian P. Colan
Vice President & Controller

June 26, 2015

Mr. Russell G. Golden
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Re: Proposed Accounting Standards Update Topic 606 – Identifying Performance
Obligations and Licensing

Dear Mr. Golden:

Lockheed Martin Corporation appreciates the opportunity to comment on the *Financial Accounting Standards Board's Proposed Financial Accounting Standards Update, Revenue from Contracts with Customers (Topic 606) – Identifying Performance Obligations and Licensing*. We are a global security and aerospace company principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services. We also provide a broad range of management, engineering, technical, scientific, logistics and information services. We serve both U.S. and international customers with products and services that have defense, civil and commercial applications, with our principal customers being agencies of the U.S. Government. Our main areas of focus are in defense, space, intelligence, homeland security and information technology, including cyber security. We are headquartered in Bethesda, MD and employ approximately 112,000 people worldwide. Our net sales for 2014 were \$45.6 billion.

Our comment letter is limited to Question 4, which has the most impact on our application of the guidance set forth in ASC 606.

Question 4: Would the revisions to paragraph 606-10-25-21 and the related examples improve the operability of Topic 606 by better articulating the separately identifiable principle and better linking the factors to that principle? If not, what alternatives do you suggest and why?

Response: We agree the proposed revisions to paragraph 606-10-25-21 will improve our ability to make reasonable judgments in assessing whether the goods and services promised in contracts with our customers are separate performance obligations. The related examples are very helpful, in particular, we strongly support the addition of Example 10-Case B. This example is highly relevant to our business, as we provide significant integration services to our customers that typically include procurement, management and integration services of multiple phases, elements or units. We believe this example provides the appropriate level of clarification that promises to deliver multiple units under one contract are not separately identifiable if the entity provides significant integration services to deliver the total amount of units required by the customer.

If there are any questions or you wish to discuss this document, please feel free to contact me at brian.p.colan@lmco.com or 301-897-6764.

Sincerely,

A handwritten signature in black ink that reads "Brian P. Colan".

Brian P. Colan
Vice President and Controller