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Rajeev Bhalla
Vice President and Controller

May 12, 2003

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, DC 20006-2803

Via e-mail to comments@pcaobus.org

Re: PCAOB Rulemaking Docket Matter No. 004
Proposed Rules of the Board: Part 7 – Establishment of Professional Standards

Lockheed Martin Corporation welcomes the opportunity to provide comments concerning the proposed rules of the Board. Lockheed Martin is a publicly held enterprise with annual revenues of over \$26 billion, and strongly supports efforts to improve the reliability of financial information and restore investor confidence in the marketplace. We are pleased with both the initial actions of the Board and the proposed rules in your recent release, and have one comment for your consideration.

We enthusiastically support the naming of advisory groups to the Board as described in Part 7 of this release, and are heartened that individuals with expertise in public company accounting, finance, and governance are specifically to be included as members as provided under Section 3700 (b). We believe that members from the preparer community can make insightful and valuable contributions to the Board's work, and are gratified that the Board agrees.

We find it inconsistent, then, that the proposed rule does not provide the preparer community with a corresponding voice in recommending individuals to serve on those advisory groups, other than at the discretion of the Board as stated under Section 3700 (c) (8). We believe that public companies, and professional groups of financial executives such as Financial Executives International and the Business Roundtable, are better able to identify quality advisory board candidates from the preparer community than the specific groups listed under Section 3700 (c)

Page 2

such as accounting industry groups, accounting firms, and academia. Therefore, we recommend that public company accountants and professional groups of public company financial executives be specifically included in the listed sources of advisory board member recommendations under Section 3700 (c).

Thank you for considering our concerns during the Board's deliberations.

Sincerely,

/s/ Rajeev Bhalla
Vice President and Controller