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The discount rate presented in the table above is used to determine expense for the succeeding year. Assumed health care costs trend rates have a significant effect on the health care plan. A one-percentage-point change in assumed health care costs trend rates would have the following effects for 2003:

	1% Point Increase	1% Point Decrease
Effect on total of service and interest cost components	\$ 9	\$ (8)
Effect on postretirement benefit obligations	129	(118)

In December 2003, legislation was enacted in the U.S. that, among other things, expanded existing Medicare healthcare benefits to include an outpatient prescription drug benefit to Medicare-eligible residents of the U.S. (Medicare Part D) beginning in 2006. Prescription drug coverage will be available to eligible individuals who voluntarily enroll under the Part D plan. As an alternative, employers may provide drug coverage at least "actuarially equivalent to standard coverage" and receive a tax-free federal subsidy equal to 28% of a portion of a Medicare beneficiary's drug costs. However, if covered retirees enroll in a Part D plan, the employer would not receive the subsidy.

The effects of the new Medicare legislation on an entity's financial position and results of operations are normally required to be reflected in the period in which the legislation is enacted. However, the FASB has permitted entities to defer the accounting for the effects of the legislation. Accordingly, we have the option either to account for the effects of the legislation in our 2003 financial statements or to defer our accounting until 2004. Because implementing regulations under the legislation have not been issued and the implications of the legislation's provisions on our retiree healthcare programs in the U.S. need to be fully assessed, we have elected to defer the accounting for the changes in Medicare. We will account for the effects of this legislation in the period in which authoritative guidance on the accounting for the federal subsidy is issued unless an earlier significant event occurs, such as a plan amendment or curtailment, that would call for a remeasurement of our plans' obligations. If such a significant event were to occur before the authoritative guidance were issued, we would reflect our best estimate of the effects of the legislation, including the federal subsidy, at that time. While we expect the effect of this legislation to positively affect our financial condition and results of operations, we will be unable to quantify the full impact until the completion of the assessment.

Note 15. Income Taxes

Income tax expense (benefit) applicable to continuing operations consists of the following components:

	Year Ended December 31		
	2003	2002	2001
Current			
U.S. federal	\$(125)	\$ (7)	\$ (65)
U.S. state and local	(2)	(9)	(4)
Non-U.S.	100	51	18
	(27)	35	(51)
Deferred			