

Available-For-Sale Securities and Cash Equivalents

The following table summarizes available-for-sale securities at December 31, 2012 and 2011:

Dollars in Millions	Amortized Cost	Unrealized Gain in Accumulated OCI	Unrealized Loss in Accumulated OCI	Gain/(Loss) in Income	Fair Value	Fair Value		
						Level 1	Level 2	Level 3
December 31, 2012								
Marketable Securities:								
Certificates of Deposit	\$ 34	\$ -	\$ -	\$ -	\$ 34	\$ -	\$ 34	\$ -
Corporate Debt Securities	4,305	72	-	-	4,377	-	4,377	-
U.S. Treasury Securities	150	-	-	-	150	150	-	-
Equity Funds	52	-	-	5	57	-	57	-
Fixed Income Funds	47	-	-	-	47	-	47	-
ARS	8	3	-	-	11	-	-	11
FRS	21	-	(1)	-	20	-	-	20
Total Marketable Securities	\$ 4,617	\$ 75	\$ (1)	\$ 5	\$ 4,696	\$ 150	\$ 4,515	\$ 31
December 31, 2011								
Marketable Securities:								
Certificates of Deposit	\$ 1,051	\$ -	\$ -	\$ -	\$ 1,051	\$ -	\$ 1,051	\$ -
Corporate Debt Securities	2,908	60	(3)	-	2,965	-	2,965	-
Commercial Paper	1,035	-	-	-	1,035	-	1,035	-
U.S. Treasury Securities	400	2	-	-	402	402	-	-
FDIC Insured Debt Securities	302	1	-	-	303	-	303	-
ARS	80	12	-	-	92	-	-	92
FRS	21	-	(3)	-	18	-	-	18
Total Marketable Securities	\$ 5,797	\$ 75	\$ (6)	\$ -	\$ 5,866	\$ 402	\$ 5,354	\$ 110

The following table summarizes the classification of available-for-sale securities in the consolidated balance sheet:

Dollars in Millions	December 31,	
	2012	2011
Current Marketable Securities	\$ 1,173	\$ 2,957
Non-current Marketable Securities	3,523	2,909
Total Marketable Securities	\$ 4,696	\$ 5,866

Money market funds and other securities aggregating \$1,288 million and \$5,469 million at December 31, 2012 and 2011, respectively, were included in cash and cash equivalents and valued using Level 2 inputs. Cash and cash equivalents maintained in foreign currencies were \$493 million at December 31, 2012 and are subject to currency rate risk.

At December 31, 2012, \$3,512 million of non-current available for sale corporate debt securities and FRS mature within five years. All auction rate securities mature beyond 10 years.

The change in fair value for the investments in equity and fixed income funds are recognized in other income/expense and are designed to offset the changes in fair value of certain employee retirement benefits.

The following table summarizes the activity for financial assets utilizing Level 3 fair value measurements:

Dollars in Millions	2012	2011
Fair value at January 1	\$ 110	\$ 110
Sales	(81)	-
Unrealized gains	2	-
Fair value at December 31	\$ 31	\$ 110