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May 23, 2013

Via email to director@fasb.org

Technical Director Financial Accounting Standards Board 401 Merritt 7 P. O. Box 5116 Norwalk, CT 06856-5116

Re: Proposed Accounting Standards Update – Financial Instruments, Credit Losses, File Reference No. 2012-260

Chevron Corporation (Chevron) appreciates the opportunity to provide comments to the Financial Accounting Standards Board (the "Board") regarding the Proposed Accounting Standards Update, "Financial Instruments, Credit Losses" (the "proposal").

Overall, we support the Board's efforts to improve the financial reporting for financial instruments, while reducing the complexity in accounting for these instruments. We acknowledge that the estimation of expected credit losses can be highly judgmental, in particular, incorporating managements' expectations about the future. Therefore, we appreciate that the proposal provides an entity with the latitude to develop estimation techniques that are applied consistently over time and aim to faithfully estimate expected credit losses by using the key principles outlined in the proposal.

However, we have the following concerns regarding certain aspects of the proposal:

- As currently worded, the requirements to disclose credit-quality and roll-forward information for
 certain debt instruments will result in the disclosure of certain receivables that we do not believe
 warrant such disclosure. We believe receivables representing the recovery of costs, such as those
 incurred by operators on behalf of non-operating partners under joint venture agreements, which
 are prevalent in the oil and gas industry, should be excluded from these requirements. Such
 receivables are similar to trade receivables that result from revenue transactions, which are
 specifically excluded from these disclosure requirements.
- We expect the time and resources required to comply with the proposed guidance will be
 extensive, particularly for our short-term and long-term accounts receivable. We estimate that it
 will require up to two years to establish processes, program systems and develop the necessary
 controls.

Our detailed responses to selected questions posed by the Board in the proposal are included in the attached Appendix.

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We trust our comments are helpful to the Board in determining next steps for the project. If you have any questions on the content of this letter, please contact Al Ziarnik, Assistant Comptroller, at (925) 842-5031.

Very truly yours,

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Appendix - Reponses to Questions

Disclosures

Question 18: Do you foresee any significant operability or auditing concerns or constraints in complying with the disclosure proposals in the proposed Update?

The current proposal requires credit-quality and roll-forward information for certain debt instruments to be disclosed each reporting period. We strongly support paragraphs 825-15-50-7 and 825-15-50-14, which specifically exclude certain receivables that result from revenue transactions within the scope of Topic 605 from the disclosure requirements.

However, as written, the requirements would also appear to include receivables representing the recovery of costs, such as those incurred by operators on behalf of non-operating partners under joint venture agreements, which are prevalent in the oil and gas industry. We believe such receivables should be excluded from these disclosure requirements. These receivables are similar to trade receivables that result from revenue transactions, which are specifically excluded from these disclosure requirements. We do not believe the disclosure of the required credit-quality and roll-forward information will be of benefit to users. Therefore, we ask that the Board consider expanding these exclusions to include all similar receivables.

In addition, we ask that the Board consider revising paragraph 825-15-50-7 to also exclude all long-term receivables that result from revenue transactions within the scope of Topic 605 from the credit quality disclosures. This is based on our belief that most entities use similar models to make decisions related to granting credit to customers, regardless of when payment is due. By excluding long-term receivables from the proposal, the Board would create consistency in its standard and simplify its applicability.

Transition and Effective Date

Question 24: How much time would be needed to implement the proposed guidance? What type of system and process changes would be necessary to implement the proposed guidance?

A primary concern with the proposal is the time and resources required to comply with the proposed guidance for our accounts receivable. While we have been able to automate our existing allowance process for parts of our business and some geographies to incorporate a model that considers forward-looking information, similar to that outlined in the proposal, we have a significant amount of receivable accounts where system constraints or lack of available financial information preclude us from fully deploying the forecast model. The allowance for these receivables does not formally incorporate forward-looking information as a specific data element in the reserve calculation, and inclusion of a predictive assessment is more subjective. Given the constraints outlined above, it would be a substantial undertaking to automate all accounts using the same formal forecast methodology and, therefore, we would likely need to use multiple estimation techniques to implement the proposal.

The company currently reviews all accounts receivable activity for doubtful accounts on an annual basis. It is a comprehensive assessment and although it is partially automated, it still requires a high level of manual effort and is a lengthy process spanning several months. While it is difficult to estimate the amount of time needed to implement the proposed guidance for both annual and quarterly reporting, we believe it could take up to two years to develop and implement a consistent measurement methodology, processes, systems and controls to fully comply with the requirements of such guidance.