The Williams Companies, Inc. appreciates the opportunity to provide comments on the Proposed Statement of Financial Accounting Standards, "Employers' Disclosures about Pensions and Other Postretirement Benefits." We understand the emphasis being placed on providing more information about pension and other postretirement benefit plan assets, obligations and cash flows to users of financial statements. We generally support the additional disclosures being proposed and believe they will be beneficial to the users of financial statements. Our comments in this letter are offered in a constructive approach as we provide our observations and suggestions regarding certain proposed disclosures.

**Issue 10: Disclosures in Interim Financial Reports**

The proposed Statement would require disclosure of the amount of net periodic pension and other postretirement benefit cost recognized during the interim period, showing separately the service cost component, the interest cost component, the expected return on plan assets for the period, the amortization of the unrecognized transition obligation or transition asset, the amount of recognized gains and losses, the amount of prior service cost recognized, and the amount of gain or loss recognized due to a settlement or curtailment. We do not believe that disclosing the net periodic benefit cost for the interim period and the components of that net periodic benefit cost would provide users of the financial statements any additional meaningful information.

In accordance with the guidance in Statement of Accounting Standards (SFAS) No. 87, "Employers' Accounting for Pensions," and SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," the actuarial calculation of the net periodic pension and other postretirement benefit cost may be done once annually based on the assumptions used for the previous year-end plan asset and liability measurements unless circumstances warrant a remeasurement. This work is performed by independent actuaries and the product is an annual measure. The breakdown of net periodic benefit cost is known only for the annual period. The interim net periodic benefit costs reflect a prorata amount of the estimated annual cost. Finalization of the participant data, coordination with the actuaries and the resulting periodic benefit cost calculations take a period of time. Prior to that time, the interim periodic benefit cost may be estimated based on projections made during the previous valuation process and adjusted as considered necessary for known or expected changes in the participant data. Once the annual periodic benefit cost calculation is completed, year-to-date expense amounts are adjusted, if necessary, and the remaining monthly accruals for the year are adjusted.

Users of financial statements should refer to the previous annual benefit plan disclosures along with their reading of the interim and annual disclosures in Management's Discussion and Analysis (MD&A) to gain
an understanding of the interim net periodic benefit costs. Any material changes to the total net benefit costs from those of the previous annual period should be addressed in the MD&A.

As an alternative to the interim disclosure of the amount of net periodic pension and other postretirement benefit cost recognized during the period, including the components thereof, a year-end disclosure of the expected net periodic benefit cost for the next fiscal year could be presented with the annual disclosure of expected employer’s contributions for the next fiscal year. Similarly, during the interim periods, disclosure could be made of the expected net periodic benefit cost for the year if significantly different from previous disclosures. This disclosure, along with the other proposed forward-looking disclosures, should be labeled as unaudited.

We appreciate the opportunity to comment and would be pleased to discuss our views with the FASB staff.

Sincerely,

Gary R. Belitz
Controller and Chief Accounting Officer
The Williams Companies, Inc.