March 24, 2016

VIA EMAIL

Technical Director
File Reference No. EITF-15F
Financial Accounting Standards Board of
The Financial Accounting Foundation
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

Dear Technical Director:

Thank you for the opportunity to respond to the Exposure Draft: Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (the “Proposed Guidance”). Ball Corporation (“Ball,” “the company,” “we” or “our”) is a U.S.-based Fortune 500, multi-national manufacturer of metal packaging products and of aerospace and other technologies and services with sales in 2015 of $8.0 billion and total assets of approximately $9.8 billion, and is publicly traded on the New York Stock Exchange.

We support the Financial Accounting Standards Board’s (“FASB” or the “Board”) objective in its simplification initiative to reduce the cost and complexity of financial reporting while improving or maintaining the usefulness of the information provided to financial statement users. Following are our responses to the questions posed in the exposure draft.

Question 1: Should cash payments for debt prepayment or extinguishment costs be classified as cash outflows for financing activities? If not, what classification is more appropriate and why?

We agree that classifying debt prepayment and extinguishment costs as outflows for financing activities is the most appropriate classification.

Question 2: Should the cash payment made at the settlement of a zero-coupon bond be separated and classified as follows: the portion of the cash payment attributable to the accreted interest as cash outflows for operating activities, and the portion of the cash payment attributable to the principal as cash outflows for financing activities? If not, what classification is more appropriate and why?

We agree with the Board’s proposal to report the interest component of the cash settlement of a zero-coupon bond as cash outflows for operating activities and the principal component as cash outflows for financing activities.

Question 3: Should cash payments made by an acquirer that are not paid soon after a business combination for the settlement of a contingent consideration liability be separated and classified as follows: the payments, or portion of the payments, up to the amount of the contingent consideration liability recognized at the acquisition date as cash outflows for financing activities, and the payments, or portion of the payments, that exceed the amount of the contingent consideration liability recognized at the acquisition date as cash outflows for operating activities? If not, what classification is more appropriate and why?
We agree with the Board’s proposal that payments that are not paid soon after a business combination for a contingent consideration liability up to the amount recognized at the acquisition date should be reported as cash outflows for financing activities, and payments in excess of the initial amount recognized should be reported as cash outflows for operating activities. For simplification, we would also support the classification of all of the payments for contingent consideration that are not made soon after a business combination as financing activities.

**Question 4:** Is cash flow classification guidance needed to address situations in which an acquirer makes a cash payment for the settlement of a contingent consideration liability soon after the business combination? If so, what classification is appropriate and why?

We believe that cash payments for settlements of a contingent consideration liability soon after the business combination, within the typical one year measurement period, should be reported as cash outflows for investing activities as the timing suggests it is highly likely such a payment is related to the business combination. The issuance of classification guidance would be helpful in achieving consistency in practice and simplifying cash flow reporting.

**Question 5:** Should the proceeds received from the settlement of insurance claims be classified on the basis of the insurance coverage (that is, the nature of the loss), including those proceeds received in a lump-sum settlement for which an entity would be required to determine the classification on the basis of the nature of each loss included in the settlement? If not, what classification is more appropriate and why?

We agree with the Board’s proposal to classify proceeds received from the settlement of insurance claims based on the nature of the loss. We also agree that proceeds received in a lump-sum settlement should be allocated by an entity based on the nature of each loss included in the lump-sum settlement.

**Question 6:** Should cash proceeds received from the settlement of corporate-owned life insurance policies, including bank-owned life insurance policies, be classified as cash inflows from investing activities? If not, what classification is more appropriate and why?

We agree with the Board’s proposal that cash proceeds received from the settlement of corporate-owned life insurance (COLI) policies should be classified as cash inflows from investing activities.

**Question 7:** Should cash payments made for premiums of corporate-owned life insurance policies, including bank-owned life insurance policies, be permitted to be classified as cash outflows for investing activities, operating activities, or a combination of investing and operating activities? If not, what classification is more appropriate and why?

We believe cash payments made for premiums of COLI policies should be classified as cash outflows for investing activities, which would be in line with reporting the cash proceeds from the settlement of COLI policies as cash inflows from investing activities (discussed above in the response to Question 6).

**Question 8:** Should distributions received from an equity method investee when an investor applies the equity method be presumed to be returns on investment and classified as cash inflows from operating activities unless the investor’s cumulative distributions received less distributions received in prior periods that were determined to be returns of investment exceed cumulative equity in earnings recognized by the investor? When such an excess occurs, should the current-period distribution up to this excess be considered a return of investment and classified as cash inflows from investing activities? If not, what approach is more appropriate and why?

We agree with the Board’s proposal that distributions received from an equity method investee be classified as cash inflows from operating activities up to the amount of the cumulative earnings of the equity method.
investee. Any amounts exceeding the cumulative earnings should be considered a return of investment and be classified as cash inflows from investing activities.

**Question 9:** Should a transferor’s beneficial interest obtained in a securitization of financial assets be disclosed as a noncash activity? If not, what treatment is more appropriate and why?

We believe disclosure as a noncash activity is appropriate.

**Question 10:** Should cash receipts from payments on a transferor’s beneficial interests in securitized trade receivables be classified as cash inflows from investing activities? If not, what classification is more appropriate and why?

We believe the cash receipts from payments on a transferor’s beneficial interests in securitized trade receivables should be classified as cash inflows from operating activities, not cash inflows from investing activities. In our opinion, classifying them as an investing activity creates a lack of symmetry between sales and operating cash flows. We also believe that securitizing trade receivables is a vehicle for monetizing a company’s trade receivables, not a true investment.

**Question 11:** Is the additional guidance that clarifies when an entity should separate cash receipts and cash payments and classify them into more than one class of cash flows (including when reasonable judgment is required to estimate 6 and allocate cash flows) and when an entity should classify the aggregate of those cash receipts and payments into one class of cash flows on the basis of predominance understandable and operable? If not, please explain why and what additional guidance would be more appropriate.

We believe that the additional guidance regarding the separation of receipts and cash payments versus the aggregation of them on the basis of predominance is operable and understandable. We also agree with the Board’s position that choosing to classify cash payments or receipts on the basis of predominance is not an accounting policy election and should not require extensive disclosures.

**Question 12:** Should the proposed amendments for all eight cash flow issues be applied using a retrospective transition method? If not, what transition approach is more appropriate and for which specific cash flow issues and why?

We support adopting the proposed amendments for all eight cash flow issues using a retrospective transition method.

**Question 13:** Should the proposed amendments include a provision that if it is impracticable for some of the amendments to be applied using a retrospective transition method, then those amendments would be applied prospectively as of the earliest date practicable? Why or why not?

We believe the inclusion of such a provision is appropriate.

**Question 14:** Should an entity be required to provide the transition disclosures specified in the proposed Update? Should any other transition disclosures be required? If yes, please explain what transition disclosures should be required and why.

We believe that an entity should be required to provide transition disclosures, including a statement that the new guidance was adopted, as well as the effect of any material changes to the company’s presented cash flow for prior periods compared to the previous presentation.
Question 15: How much time will be necessary to implement the proposed amendments? Do entities other than public business entities that are required to present a statement of cash flows under Topic 230 (that is, private companies and not-for-profit entities, but not employee benefit plans) need additional time to apply the proposed amendments? Why or why not?

We believe the time needed to implement the proposed amendments would not be extensive and having them be effective for years beginning after December 15 of the year the final guidance is issued would be sufficient.

Question 16: Should early adoption be allowed?

We believe early adoption should be allowed.

We appreciate your consideration of our comments, please contacts us if you have any further questions regarding our comments on the Proposed Guidance.

Sincerely,

[Signature]

Shawn M. Barker
Vice President and Controller