March 29, 2016

Technical Director
Financial Accounting Standards Board
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The Williams Companies, Inc. ("Williams") appreciates the opportunity to provide our comments to the Financial Accounting Standards Board ("Board") on the Proposed Accounting Standards Update regarding the classification of certain cash receipts and cash payments presented on the Statement of Cash Flows. Williams is a public company which, through its subsidiaries, gathers, processes and transports natural gas.

We appreciate the Board’s efforts to clarify the classification of certain cash receipts and cash payments in the Statement of Cash Flows and we are supportive of the proposed classifications.

In regards to contingent consideration payments made after a business combination, the proposal refers to cash payments made by an acquirer that are not paid “soon after” a business combination for the settlement of a contingent consideration liability should be separated and classified as cash outflows from financing activities and operating activities. As the term “soon after” is somewhat vague and may lead to diversity in practice when applying the proposed changes, we encourage the Board to consider providing additional clarification regarding the timeframe implied by this phrase.

Regarding the proposal to apply the proposed amendments on a retrospective basis, we are supportive of such an approach given the limited number of items and the discrete nature of required inputs. We are also supportive of providing an exception for prospective application, though our presumption is that application of this approach would generally be limited and thus preserving broader levels of comparability between registrants.

We believe implementation of the proposed amendments will not require unreasonable time to implement and therefore a near-term effective date seems reasonable. We also support allowing early adoption.
We would be happy to provide any additional information you may require or discuss our comments further.

Sincerely,

Ted Timmermans
Vice President Controller and Chief Accounting Officer
The Williams Companies, Inc.