April 25, 2018

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 proposal related to a customer’s accounting for implementation costs incurred in a cloud computing arrangement that is a service contract and disclosures for implementation costs incurred for internal-use software and cloud computing arrangements. Williams is a public company which, through its subsidiaries, gathers, processes and transports natural gas. Additionally, Williams currently utilizes and may in the future evaluate additional cloud computing arrangements.

We support the Board’s proposal to permit an entity to capitalize as an asset certain costs to implement a hosting arrangement that is a service contract following guidance in Subtopic 350-40, recognize the amortized capital cost in profit or loss over the term of the hosting arrangement, and presenting the amortized capital cost in the same line in the statement of income as the fees associated with the hosting arrangement.

We believe the proposal aligns, based on the amended the definition of “Hosting Arrangement” in the Master Glossary, both the accounting treatment and disclosure requirements between a hosting arrangement that is a service contract and internal-use software.

We agree with the proposed transition methods and the ability for an entity to elect which transition method it will apply upon adoption. We do not believe that the implementation of the proposed amendments would take a significant amount of time due to the similarities of the proposed guidance with existing guidance in Subtopic 350-40 for internal-use software. As a result, we believe early adoption of the proposed amendments should be allowed.
We appreciate the opportunity to comment on these matters and 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.