VIA EMAIL

Technical Director
File Reference No. 2015-280
Financial Accounting Standards Board of
The Financial Accounting Foundation
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

July 28, 2015

Dear Technical Director:

Thank you for the opportunity to respond to the Exposure Draft: Investments — Equity Method and Joint Ventures (Topic 323): Simplifying the Equity Method of Accounting (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 products and services with sales in 2014 of $8.6 billion and total assets of $7.6 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. We believe the proposal to eliminate (1) the requirement to separately account for the basis difference of equity method investments and (2) the requirement that an investor account for an equity method investment retrospectively when it increases its ownership to a level that initially qualifies for the equity method of accounting, meets that objective.

**Question 1:** Should accounting for the basis difference of equity method investments as if the investment were a consolidated subsidiary be eliminated? Why or why not? Would amortization of the entire basis difference through equity method earnings be preferable? If so, what would be the suggested amortization period?

Yes, we agree with the proposal to eliminate accounting for the basis difference of equity method investments as if the investment were a consolidated subsidiary. We believe that the proposal would eliminate the costs and complexities associated with identifying and valuing the underlying assets and liabilities of the investee at the time of acquisition, especially in light of the fact that a minority investor often has only limited access to the information necessary to perform this assessment. While an equity method investor has significant influence over the investee, this does not necessarily include unlimited access to the investee’s financial information. We also believe that the elimination of the current requirement to track basis differences in “memo accounts” would further reduce costs and complexity.

Additionally, similar to the cost method of accounting, we believe the initial carrying amount of an equity investment should be its original costs, measured by the fair value of the consideration given. However given the different level of influence assumed to be exercised by an equity method investor, we believe that the current conceptual difference between the cost method and the equity method of accounting related to the recognition of earnings or losses from the equity method investment should be maintained. We further agree with the Board and see no conceptual basis to account for an investment in an entity in which an investor has the ability to exercise significant influence over an investee in the same manner as an investment in an entity in which the investor has a controlling financial interest.
Question 2: Should the accounting for capitalized interest, which adds to the basis of an entity’s equity method investment and is amortized, also be eliminated for equity method investments? Why or why not?

Yes. We believe the accounting for capitalized interest for equity method investments should be eliminated based on the premise that the initial carrying amount of an investment should be recorded at the fair value of the consideration given to acquire the investment. We also believe there is inconsistent application of this existing requirement in practice and elimination of the requirement will ensure consistency in preparation.

Question 3: Should an entity be required to apply the proposed amendments related to accounting for the basis difference on a modified prospective basis as of the effective date? Why or why not?

We agree with the modified prospective application of the proposed guidance and do not believe the benefits of retrospective application outweigh the costs.

Question 4: Should an entity no longer be required to retroactively adopt the equity method of accounting if an investment qualifies for use of the equity method as a result of an increase in the level of ownership interest? Why or why not?

We agree with the proposal to eliminate the requirement to retroactively adopt the equity method of accounting, primarily because we believe that the value of an entity’s investment should be reflective of the investor’s ownership level at a specific point in time. This would be consistent with the change from the equity method to full consolidation upon the acquisition of a controlling financial interest in an investment.

Question 5: Should the proposed guidance to eliminate the requirement to retroactively adopt the equity method of accounting be applied prospectively? Why or why not?

Yes, we believe the proposed guidance to eliminate the requirement to retroactively adopt the equity method of accounting is appropriate and the change in guidance should be applied on a prospective basis. Prospective adoption will be the simplest method to apply the new guidance and would not diminish the usefulness of the information provided in a majority of cases. Depending on the specific circumstances, preparer’s should consider whether additional disclosure within the footnotes would provide additional clarification and understanding. We think the determination of whether additional disclosure in the footnotes is necessary should be determined by preparer’s based on the significance of the impact on comparability with prior periods.

Question 6: How much time will be necessary to adopt the amendments in this proposed Update? Should early adoption be permitted? Should the amount of time needed to apply the proposed amendments by entities other than public business entities be different from the amount of time needed by public business entities?

We believe the time and effort necessary to adopt the amendments will be minimal; however, we understand that this may not be the case for all preparers and will depend on the significance and complexity of each individual entity’s investment(s). We believe early adoption should be permitted. Additionally, we believe that the amount of time needed to apply the proposed amendments should be the same for all entities and that both non-public and public entities should be subject to the same accounting guidance/requirements.

Question 7: Would the proposed amendments meet the objective of the Simplification Initiative, which is to improve GAAP by reducing cost and complexity while maintaining or improving the usefulness of the information provided to users of financial statements? Why or why not?

Yes. We believe the proposed amendments meet the objective of the simplification initiative based on our responses to the above questions. However, we also encourage the board to actively work with the International Accounting Standards Board to ensure alignment between United States Generally Accepted Accounting Principles and International Financial Reporting Standards.
We appreciate your consideration of our comments. Please contact us if you have any questions regarding our comments on the Proposed Guidance.

Sincerely,

[Signature]

Shawn M. Barker
Vice President and Controller