June 30, 2015

Via email to director@fasb.org

Technical Director
Financial Accounting Standards Board
401 Merritt 7
P. O. Box 5116
Norwalk, CT 06856-5116

Re: Proposed Accounting Standards Update – Revenue from Contracts with Customers (Topic 606), Identifying Performance Obligations and Licensing, File Reference No. 2015-250

Chevron Corporation (Chevron) appreciates the opportunity to provide comments to the Financial Accounting Standards Board (the “Board”) regarding the proposed Accounting Standards Update, Revenue from Contracts with Customers (Topic 606), Identifying Performance Obligations and Licensing and commends the Board for addressing the concerns that have arisen during the implementation of ASU 2014-09, Revenue from Contracts with Customers (Topic 606).

Chevron is one of the world’s leading integrated energy companies, with subsidiaries that conduct business worldwide. The company is involved in virtually every facet of the energy industry. Chevron explores for, produces and transports crude oil and natural gas; refines, markets and distributes transportation fuels and lubricants; manufactures and sells petrochemical products; generates power and produces geothermal energy; and develops the energy resources of the future, including biofuels. The company’s activities are widely dispersed geographically, with operations in North America, South America, Europe, Africa, Asia and Australia.

Overall, we support the Board’s efforts to clarify the guidance on identifying performance obligations and accounting for licensing. We believe the revisions to the guidance and related examples improve the operability of the new standard. In addition, we believe the proposed amendments will decrease the cost and complexity for preparers in applying Topic 606. Specifically, we offer the following comments:

- We support the guidance clarifying that an entity is not required to identify promised goods or services that are immaterial in the context of the contract, along with the updates and related examples that better articulate the separately identifiable principle and link the factors to that principle. We believe these changes will assist companies in identifying meaningful performance obligations that are consistent with the overall nature of an entity’s contracts with customers.
- We support the proposed amendments that permit an election to account for all shipping and handling as a fulfillment cost as we believe this results in a reasonable conclusion when accounting for these types of costs.
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We trust our comments are helpful to the Board in determining next steps for the project. If you have any questions on the content of this letter, please contact Al Ziarnik, Assistant Comptroller, at (925) 842-5031.

Very truly yours,

[Signature]