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May 28, 2015

Via email to director@fasb.org

Technical Director
Financial Accounting Standards Board
401 Merritt 7
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**Re: Proposed Accounting Standards Update – Revenue from Contracts with Customers (Topic 606),
Deferral of the Effective Date, File Reference No. 2015-240**

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), Deferral of the Effective Date* (the “Proposed ASU”) 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.

Chevron has participated with other member companies of the American Petroleum Institute (API) to prepare comments to the Board on the Proposed ASU. The API's comment letter was submitted separately on May 22, 2015. Chevron fully endorses the comments made in that letter. In the following discussion, we will highlight several matters of particular importance to Chevron.

Chevron supports the FASB's proposal of a deferral in the effective date of ASU 2014-09 for a minimum of one year, to allow companies more time to properly implement this comprehensive accounting standard. Chevron would also support a two-year deferral for all companies (not just those applying the guidance retrospectively) to allow the Board sufficient time to evaluate and resolve all outstanding interpretation issues and provide needed clarity to reporting companies and other stakeholders.

Since issuance of ASU 2014-09 in May 2014, it has become clear that it will take significant time and resources for our company to fully implement this standard. For a company of our size, complexity and geographical distribution, it is taking significant time just to gather and review all material revenue contracts to determine if accounting changes are necessary. As this work has progressed, we and others in

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our industry have identified a number of significant interpretation issues that need to be settled before we can complete our assessments and determine the appropriate accounting. As part of the ongoing effort to resolve these issues, Chevron has been participating in the AICPA's Oil and Gas Revenue Recognition Task Force. Once the Task Force completes its work, we understand these issues will be raised with the AICPA Financial Reporting Executive Committee, and possibly the Transition Resource Group (TRG), for final resolution. We have also participated with others in our industry in discussions with the U.S. Securities and Exchange Commission regarding possible changes in their guidance on related industry-specific issues that could further complicate our implementation of this standard. Realistically, we believe it will take substantial time for these various issues of particular importance to our industry to be resolved. In addition, we are finding that issues raised to the TRG by other industries, such as those discussed in recently proposed amended guidance on identifying performance obligations and licensing, will also impact the ongoing assessments of our revenue streams. The uncertainty around timing and ultimate resolution of these many unresolved items underscores the need for a delay to the effective date of ASU 2014-09 by a minimum of one year, and possibly for two years.

Resolution of these complex standard and interpretation issues is a necessary precursor to reaching conclusions on changes in accounting policies and disclosures, which in turn will drive decisions around changes to systems, processes and internal controls. Chevron utilizes a number of complex systems for recording its revenue accounting transactions, and any changes required to these systems will take a significant amount of time to plan, develop and test prior to the effective date. Changes to reports, disclosures, processes and internal controls will also require time to plan, develop and test. Implementation of these changes is particularly costly and ineffective if performed on a piecemeal basis as issues are resolved. Without a deferral, there is substantial risk the required changes could not be completed by the effective date.

Finally, as a multi-national company with operations throughout the world, our systems and processes must support both local statutory reporting under IFRS and consolidated financial statements that are prepared under U.S. GAAP. We urge the FASB and IASB to coordinate effective dates for their respective revenue recognition standards to reduce our implementation burden.

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,

