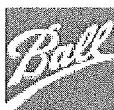

10 Longs Peak Drive
Broomfield, Colorado

August 10, 2015

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

Dear Technical Director:

Thank you for the opportunity to respond to the Exposure Draft: *Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment 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 and services with sales in 2014 of $8.6 billion and total assets of approximately $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. Following are our responses to the questions posed in the exposure draft.

Question 1: Do you agree that the proposed amendments result in a reduction (or potential reduction) of cost and complexity while maintaining or improving the usefulness of information provided to users of financial statements? If not, why?

Overall, we agree that the proposed changes result in a reduction of cost and complexity. However, we also believe that consistency should be an overriding theme in accounting policies and some of the proposed changes do not achieve that objective as well as they could. We address the apparent inconsistencies we see in the proposed guidance in the responses to the individual questions that follow.

Question 2: Should excess tax benefits and tax deficiencies be recognized in the income statement? If not, why, and are there other alternatives that are more appropriate? Should an entity delay recognition of an excess tax benefit until the benefit is realized through a reduction to taxes payable? If yes, why?

We believe that a more appropriate approach would be to recognize both excess tax benefits and tax deficiencies in additional paid in capital (APIC). In our view, the tax effects associated with stock-based compensation should correlate to how the underlying events are recorded in the financial statements. If amounts are required to be recognized in the income statement related to stock-based compensation transactions, the corresponding income tax effects should also be reflected in the income statement. Similarly, if amounts are required to be recognized in equity for stock-based compensation transactions, such as the exercise of stock options and the vesting of restricted stock, the corresponding income tax effects should be reflected in equity as well.

If the Board does not agree with our position that both excess tax benefits and deficiencies should be recognized in APIC, then in keeping with our belief that consistency in the accounting treatment is the overriding theme, we would accept the Board's proposal that both the excess benefits and deficiencies be recognized in the income

statement. However, it should be noted that this will result in greater earnings volatility and will complicate the earnings forecasting process, leading to greater variation in effective tax rate estimates throughout the accounting period. The proposed change will also distort the relationship between earnings before taxes and income tax expense, resulting in less clear tax disclosures.

We do not believe the recognition of an excess tax benefit should be delayed until the benefit is realized through a reduction of taxes payable as requiring a different tax accounting for the excess tax benefit complicates rather than simplifies the process and does not support our overriding desire for consistency in accounting treatment.

Question 3: Should the effect on tax cash flows related to excess tax benefits be classified as an operating activity on the statement of cash flows? If not, what classification is more appropriate and why?

We agree that the effect on tax cash flows related to excess tax benefits should be classified as an operating activity along with other income tax working capital changes.

Question 4: Should entities be permitted to make an accounting policy election either to account for forfeitures when they occur or to estimate forfeitures? If not, why?

For consistency, we believe that entities should not be given the option to choose their method of accounting for forfeitures. It is our preference that forfeitures be accounted for as they occur, which will simplify the accounting by eliminating the need to estimate forfeitures at an earlier time and align the estimates with actual results as they occur. We also believe accounting for forfeitures as they occur should be done on a prospective basis for new grants. Retrospective adjustments would be complicated and would not significantly benefit users of the financial statements.

Question 5: Is the proposed expansion of the exception to liability classification related to the amount withheld for employee's taxes appropriate? If not, is there another exception that is more appropriate and why?

We agree that allowing for withholding rates that are more in line with individual statutory tax rates is more appropriate and allows an entity to determine only one maximum rate per jurisdiction rather than for each employee.

Question 6: Should the cash paid by an employer to the taxing authorities when directly withholding shares for tax-withholding purposes be classified as a financing activity on the statement of cash flows? If not, what classification is more appropriate and why?

In our opinion, the cash paid to taxing authorities for the direct withholding of shares should be reported as a financing activity to correctly reflect net cash proceeds from the issuance of equity.

Question 7: When assessing the classification of an award with a repurchase feature that can only be exercised on the occurrence of a contingent event, should a contingent event within the employee's control be assessed in the same manner as a contingent event outside the employee's control? If not, why should there be a difference in the assessment?

We believe that the accounting for an equity-based award should be based on the likelihood of the outcome regardless of whether a contingent event is within an employee's control or not.

Question 8: Is the practical expedient for nonpublic entities to estimate the expected term of all awards with performance conditions that affect vesting or service conditions appropriate? If not, are there other practical expedients that are more appropriate and why? Should the expedient be limited to nonpublic entities?

We believe that accounting guidance should be consistently applied by both public and nonpublic entities.

Question 9: Should nonpublic entities be allowed to make a one-time election to switch from measuring liability-classified awards at fair value to intrinsic value? If not, why? While not proposed, should the Board consider making the ability to elect intrinsic value an ongoing election alternative for nonpublic entities?

We believe that accounting guidance should be consistently applied by both public and nonpublic entities.

Question 10: Are the transition requirements for each area appropriate? If not, what transition approach is more appropriate?

We believe the proposed simplification of share-based compensation accounting would be best achieved on a prospective basis. However, we also believe additional disclosures may be necessary in the financial statement footnotes when the effects are material relative to previously reported results.

Question 11: How much time will be necessary to adopt the amendments in this proposed Update? 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?

As the record keeping for stock-based compensation is already maintained at a detailed level for a majority if not all preparers, we believe the time necessary to adopt the amendments would be minimal if prospective application is permitted. Retrospective application or through a cumulative-effect adjustment to equity would require more time but not would still not be expected to be significantly more than prospective application. As for adoption time for the new guidance, we think the effective date should be consistent for both public and nonpublic entities.

We appreciate your consideration of our comments, please contacts us if you have any further questions regarding our comments on the Proposed Guidance.

Sincerely,

Shawn M. Barker
Vice President and Controller