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Technical Director  
Financial Accounting Standards Board  
401 Merritt 7  
PO Box 5116  
Norwalk, CT 06856-5116  
Electronic Address: [director@fasb.org](mailto:director@fasb.org)

RE: File Reference No. 2016-230, Proposed Accounting Standards Update, Intangibles – Goodwill and Other (Topic 350), Simplifying the Accounting for Goodwill Impairment

The Williams Companies, Inc. (Williams) appreciates the opportunity to provide our comments to the Financial Accounting Standards Board (Board) on the proposal to simplify the accounting for goodwill impairment. Williams is a public company which, through its subsidiaries, gathers, processes and transports natural gas, and produces olefins.

We are supportive of the Board's effort to simplify the impairment of goodwill by eliminating Step 2. While application of Step 2 in the current impairment model may intuitively be a more accurate measurement, we believe the proposal clearly meets the needs of users in an area that is highly dependent on judgments and estimates. In a business combination, entities arguably have up to one year to complete their accounting, whereas the time period for completing a similar analysis in a Step 2 goodwill impairment scenario is significantly less. Eliminating Step 2 would enhance timely financial reporting.

Williams and other members of the energy industry have experienced significant growth over the past few years, resulting in the recording of considerable amounts of goodwill. More recently, the energy industry has experienced significant declines impacting Williams and certain of our peers, resulting in our recording goodwill impairments. The effort and cost to apply the model is substantial and burdensome. In addition to the demands upon qualified internal resources, the current model imposes additional costs associated with the independent auditor review and potentially the work of third party valuation services. Thus, we believe the proposal to eliminate Step 2 would meet the Board's objective of reducing the cost of the subsequent accounting for goodwill while maintaining the usefulness of the information provided to users of financial statements.

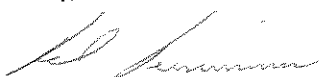
We are not supportive of allowing a Step 2 analysis to be retained as an option. We believe consistency of application among all entities is important to users understanding of this difficult area.

We agree with applying the amendments on a prospective basis. We also support allowing entities to early adopt the final standard.

In regard to Phase 2 of the Board's project, we believe amortization of goodwill should be considered. We would be supportive of periodically amortizing goodwill over the accounting life of the predominant asset(s) acquired in the business combination. Systematically reducing the carrying value of goodwill could possibly ease the burden associated with potential goodwill impairments.

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.