



Jeanette L. Ourada
Vice President and
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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 – Intangibles – Goodwill and Other (Topic 350),
Simplifying the Accounting for Goodwill Impairment, File Reference No. 2016-230**

Chevron Corporation (Chevron) appreciates the opportunity to provide comments to the Financial Accounting Standards Board (the “Board”) regarding the proposed Accounting Standards Update, *Intangibles - Goodwill and Other (Topic 350), Simplifying the Accounting for Goodwill Impairment*.

Chevron is one of the world’s leading integrated energy companies. Through its 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 petrochemicals and additives; generates power and produces geothermal energy; and develops and deploys technologies that enhance business value in every aspect of the company’s operations.

Overall, we support the Board’s proposed amendment to simplify the goodwill impairment testing process by removing Step 2, which includes determining the implied fair value of goodwill. We feel the current Step 2 testing process is unnecessarily burdensome and costly, given the complexity and scope from a valuation perspective. Moreover, we anticipate that the ability to carry out a Step 2 testing process within a quarter close would be challenging and likely result in the need to hire external resources. It is also our experience that most external business valuations are driven by market or cashflow approaches that do not directly incorporate goodwill in their analysis. As a result of the cost, complexity and limited value to shareholders, we feel the goodwill impairment testing process should be simplified to remove Step 2.

We do not support providing companies with the option to retain Step 2. We believe that allowing companies the option of retaining Step 2 would reduce comparability, which we believe is critical to investors.

Regarding transition, we support permitting early adoption of these amendments.

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.

Sincerely,

A handwritten signature in black ink, appearing to read "J Ourada", is written over a light blue horizontal line.