Williams

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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

RE: File Reference No. 2018-200, Leases (Topic 842); Targeted Improvements

The Williams Companies, Inc. (Williams) appreciates the opportunity to provide our comments to the Financial Accounting Standards Board (Board) on the proposed amendments to the new leases standard giving entities another method for transition and providing lessors with an option to combine lease and nonlease components. Williams is a public company which, through its subsidiaries, gathers, processes and transports natural gas.

We support the Board's proposal to provide an additional (and optional) transition method to adopt the new lease requirements by allowing entities to initially apply the requirements by recognizing a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. We believe the proposal would serve to reduce the complexity, cost and transition effort of adopting Topic 842. We cite several reasons for our views, including: 1) companies could review and measure as part of their implementation procedures lease contracts at a single point in time, i.e. the adoption date, as opposed to evaluating contracts that may have been completed, terminated, or otherwise ceased to be in effect upon the date of adoption; 2) continuing with existing disclosures under Topic 840 in comparative periods is less burdensome; and 3) potentially reduced efforts by our outside auditors in reviewing our implementation results and disclosures.

Also, continuing to apply lease accounting guidance, including disclosures, under Topic 840 for periods prior to the adoption of Topic 842, would not compromise the transparency and comparability of recognizing lease assets and liabilities on the balance sheet as we believe initially the most critical balance sheet and disclosure information for users is for the current period, not the comparative prior periods.

We support the Board's proposal to provide lessors an optional practical expedient, when certain criteria are met, to not separate nonlease components from the related lease components and, instead, to account for those components as a single lease component. We believe this option would make lessor accounting less burdensome, while allowing lessor's the opportunity to assess, by class of underlying asset, the significance of the nonlease components being combined to determine if users are being provided the most meaningful financial information.

We agree that the effective date and transition requirements for the proposal should be the same as in ASU 2016-02.

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.