



Jeanette L. Ourada
Vice President and Comptroller

January 25, 2018

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 – Targeted Improvements to Topic 842, File Reference No. 2018-200

Chevron Corporation (Chevron) appreciates the opportunity to provide comments to the Financial Accounting Standards Board (the “Board”) regarding the proposed Accounting Standards Update, Targeted Improvements for Transition to Topic 842 and commends the Board for its efforts to simplify the implementation of Topic 842. We believe the Proposed ASU does provide targeted improvements under Topic 842, while addressing stakeholder concerns regarding the costs and complexity of complying with transition requirements.

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 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.

Following are our responses to the questions posed by the FASB in the proposed ASU related to Transition – Comparative Reporting at Adoption:

Responses to Questions

Question 1: Would the proposed optional transition method to apply the new lease requirements through a cumulative-effect adjustment in the period of adoption reduce the costs and complexity associated with implementing Topic 842? If not, please explain why.

We support this proposal for an optional transition method related to comparative reporting. We believe this method does reduce the cost and complexity to implement Topic 842 by simplifying disclosure reporting at transition and by allowing for the comparative periods in the financial statements to be in accordance with current GAAP (Topic 840). Additional benefits include more straightforward implementation of lease accounting software and elimination of complexities related to foreign exchange movement during the comparative periods.

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Question 2: Is the proposed transition method, as written in this proposed Update, operable? If not, please explain why.

From our perspective, the proposed transition method is operable and will ease implementation efforts.

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,



Jeanette L. Ourada