



Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, NW
Washington, DC 20006-2803

December 4, 2013

RE: PCAOB Rulemaking Docket Matter No. 34

Proposed Auditing Standards on the Auditor's Report and the Auditor's Responsibilities Regarding Other Information and Related Amendments

Williams (NYSE: WMB) is a leading energy infrastructure company focused on connecting North America's significant hydrocarbon resource plays to growing markets for natural gas, natural gas liquids and olefins.

Thank you for the opportunity to provide comments on the above referenced proposed auditing standard. While we find certain of the proposed changes acceptable, we believe most parts of the standard warrant further consideration.

Communication of critical audit matters: As a reporting entity, we believe that it is fundamentally the company's responsibility to communicate any critical information through the financial statements and notes or other disclosure requirements. A discussion of critical audit matters by the auditor would seem to significantly overlap certain existing requirements for public entities to discuss critical accounting estimates. If there is a perceived deficiency in the disclosure of critical information for investors, it should be within the domain of the Securities and Exchange Commission to address.

We are also concerned with the potential impact of disclosing information that would otherwise not be required to be disclosed. For example, as noted in the proposal, a critical audit matter may result in disclosure of an internal control deficiency that was determined not to be a material weakness. As such, this may result in a discussion of internal control over financial reporting that would otherwise not require disclosure in Item 9A of the Form 10-K. Additionally, it could raise the level of disclosure/discussion with an Audit Committee to include internal control deficiencies that are not considered a significant deficiency or a material weakness. We believe that the prominence and sensitivity of such a discussion in the audit

opinion without the broader context could lead an investor to question the auditor's ultimate conclusion and assume their own worst-case interpretation. In the view of an investor, it is difficult to imagine any scenario where such disclosure would not reflect negatively on the reporting entity.

Finally, we would generally expect an increase in audit costs associated with this potential requirement. Given that this is only a hypothetical proposal at this point and that we do not have a similar point of reference, we are not currently able to provide a more precise estimate of the costs. However, realizing that such disclosures in the auditor's report would likely be highly sensitive for the issuing auditor, we would expect this to require additional work by the highest-level auditors on the engagement. This fact alone suggests that such incremental costs may be more than insignificant.

Responsibility for fraud: We believe that describing the auditor's responsibility related to fraud is acceptable as it does not modify any existing responsibilities. We do, however, question whether such an addition would actually enhance the communication to an investor when presented along with an unqualified opinion.

Independence: Similar to our comments regarding responsibility for fraud above, we believe this change is acceptable as well as it does not modify existing responsibilities. Again, though, we question whether this actually enhances communication to an investor.

Tenure: We do not believe that the audit opinion is the appropriate venue to address the client/auditor relationship, especially when there are other long-standing SEC requirements addressing that relationship (see Form 10-K, Part III, Item 14 regarding Principal Accountant Fees and Services and Item 9 of Schedule 14A (Proxy Statement) regarding Independent Public Accountants). These other two options would seem to be a much more appropriate location for a disclosure of auditor tenure if the SEC believed there was value in such a disclosure.

The lack of such a requirement by the SEC is perhaps reflective of the fact that there is not currently a generally accepted correlation between auditor tenure and audit quality. The prominence of the proposed disclosure of auditor tenure within the audit report would either imply such a correlation or impart a much greater significance on this information, well beyond that of a simple "data point" as characterized on page A5-16 of the proposal.

Additionally, page A5-17 of the proposal acknowledges the usefulness of the SEC's EDGAR system in researching auditor tenure. Thus, this information is already available to those users with a strong interest in it. It seems this would be a preferable alternative rather than requiring the auditor tenure in the audit report.

Evaluation of other information outside the financial statements: We are generally supportive of the scope of the proposed other information standard as it applies to information in annual reports filed with the SEC. However, we are opposed to the expansion of the auditor's role in evaluating such other information from the perspective of both cost and difficulty in communicating that responsibility in the audit report.

In general, we believe that an expansion of the auditor's role will directly translate into increased audit fees as it is reasonable to assume that the auditor's expanded role will drive significant additional documentation of their evaluation of the other information. The auditor's increased costs will likely be passed through to the reporting entity as additional fees, with no perceived additional value to the reporting entity. Similar to the discussion of increased costs related to critical audit matters, we do not have a similar point of reference from which to provide a more precise estimate of the costs.

We further question whether the auditor's expanded evaluation can be effectively communicated in an audit report. While the proposed standard would require an auditor to evaluate the other information based on audit evidence already obtained, would it ever be clear to an investor what exact information was or was not evaluated? It would not be practical to specifically identify every single disclosure that was or was not evaluated by the auditor. But absent this specificity, how would an investor know what information was evaluated?

It is also conceivable that an auditor could seek additional audit evidence to evaluate all other information. While not necessarily the intent or requirement of the proposed standard, this possible outcome could have a significant further impact on the associated increased costs.

As a final point on this topic, the proposal did not discuss any evidence that the current standard has been ineffective relative to the quality of information available to investors. As such, we believe that further consideration of the motive is warranted before imposing a standard that we believe will increase costs for little perceived benefit.

Again, thank you for the opportunity to provide these comments to the proposed rulemaking.

Sincerely,

/s/ Ted T. Timmermans

Ted T. Timmermans
Vice President, Controller and Chief Accounting Officer