SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report: December 19, 2001
(Date of earliest event reported)

The Williams Companies, Inc.
(Exact Name of Registrant as Specified in Charter)

Delaware	1-4174	73-0569878
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

One Williams Center Tulsa, Oklahoma 74172
(Address of Principal Executive Offices)

(918) 573-2000
(Registrant's telephone number, including area code)

Item 5. Other Events

The Williams Companies, Inc. ("Williams") announced today that it plans to take several steps to strengthen its balance sheet to further solidify its investment-grade credit rating. Senior executives of Williams will discuss the plan at a conference at 8:30 a.m. EST today. Live audio access and replay are available at www.williams.com.

Item 7. Financial Statements and Exhibits

Williams files the following exhibit as part of this report:

Exhibit 99.1	Williams' press release dated December 19, 2001, publicly announcing the matters discussed herein.

Pursuant to the requirements of the Securities Exchange Act of 1934, Williams has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

December 19, 2001

The Williams Companies, Inc.

By: /s/ Suzanne H. Costin

Suzanne H. Costin
Corporate Secretary

INDEX TO EXHIBITS

Exhibit Number	Description
Exhibit 99.1	Williams' press release dated December 19, 2001, publicly announcing the matters discussed herein.

EXHIBIT 99.1

NEWS RELEASE [WILLIAMS LOGO]

NYSE: WMB

DATE: Dec. 19, 2001

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WILLIAMS TAKING STEPS TO FURTHER STRENGTHEN ITS BALANCE SHEET

Plan Calls for Reduced Capital Spending, Issuance of Securities and Sale of Non-Core Assets

TULSA, Okla. -- Williams (NYSE: WMB) announced today the company plans to take several steps to strengthen its balance sheet to further solidify its investment-grade credit rating. Senior executives will discuss the plan at a conference at 8:30 a.m. Eastern today; live audio access and replay are available at www.williams.com.

"We believe both our business platform and strategy are as solid today as they were six months ago, and we have historically met every performance measure required by debt rating agencies to remain an investment grade company," said Steve Malcolm, president and chief operating officer.

"But as we all know, there is a new reality in financial markets regarding our sector of the energy industry," he said. "Today's steps show that we are being responsive to that sentiment as we continue to execute on the balanced growth strategies for our considerable suite of physical assets, while offering our customers an array of services to manage their price risk and certainty of supply."

Among the components of the plan:

- A $1 billion reduction in 2002 capital spending. The 25-percent reduction likely will be split between regulated and unregulated infrastructure projects.

- Issuance of $1 billion in mandatory convertible preferred securities early in 2002.

- Expected proceeds of from $250 million to $750 million from the sale of certain non-core assets during 2002. The company also will likely recognize a fourth quarter 2001 impairment loss in the range of $120 million to $170 million related to its soda ash facility in Colorado. The loss relates to operational start-up issues since initial production in November 2000. Steps are being taken to address the issues.

- Initiate action to eliminate the ratings triggers in the limited number of in Williams financings that have them.

Malcolm said that while deal flow remains robust and has increased since the terrorist attacks and the Enron bankruptcy, current uncertainty surrounding the energy merchant business environment is delaying the pace of closing transactions that were expected during the fourth quarter of this year. While not a certainty, he said he believes Williams will achieve the previously announced 2001 recurring earnings per share of $2.40.

"We believe today's market environment is a short-term issue and that we ultimately will see stepped-up deal closure," Malcolm said. "While issuing the securities and the additional steps that we announced today will further strengthen our balance sheet, costs of restructuring our capitalization, the economy and other factors may cause us to reduce our year-over-year earnings growth targets from 15 percent per year to 12 to 15 percent."

ABOUT WILLIAMS (NYSE: WMB)

Williams, through its subsidiaries, connects businesses to energy, delivering innovative, reliable products and services. Williams information is available at www.williams.com.

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Portions of this document may constitute "forward-looking statements" as defined by federal law. Although the company believes any such statements are based on reasonable assumptions, there is no assurance that actual outcomes will not be materially different. Any such statements are made in reliance on the "safe harbor" protections provided under the Private Securities Reform Act of 1995. Additional information about issues that could lead to material changes in performance is contained in the company's annual reports filed with the Securities and Exchange Commission.