SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 30, 2001

The Williams Companies, Inc.
(Exact name of registrant as specified in its charter)

Delaware	1-4174	73-0569878
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

One Williams Center, Tulsa, Oklahoma 74172
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: 918/573-2000

Not Applicable
(Former name or former address, if changed since last report)

Item 5. Other Events.

The Williams Companies, Inc., (the "Company") announced that its Board of Directors has approved a tax-free spin-off of the Company's communications business to its shareholders. On April 23, the Company will distribute approximately 400 million shares, or about 95 percent of the shares of Williams Communications Group, Inc. ("WCG") common stock that it currently owns, to holders of the Company's common shares of record on April 9. Immediately prior to the spin-off, the shares of WCG Class B stock held by the Company will be converted into shares of WCG Class A stock, which will be distributed to the Company's shareholders at the time of the spin-off. The Company anticipates mailing an information statement about the spin-off to shareholders on or about April 12, 2001.

With respect to shares of WCG's common stock that the Company will retain, the Company has committed to the Internal Revenue Service to dispose of all of the WCG stock that it retains as soon as market conditions allow, but in no event longer than five years after the spin-off. The Company has agreed to notify WCG of its intent to pursue a sale of WCG stock. In reaching any determination as to market conditions for such sale of WCG stock, the Company and WCG will consult, taking into consideration in the determination of market conditions any plans of WCG to issue equity or debt and, on advice of experts, the likely impact of such issuance on market conditions for the sale of the WCG stock held by the Company. The Company has also agreed to utilize a financial advisor reasonably acceptable to WCG for any sales of WCG stock owned by the Company within three years of the spin-off.

In addition, the Company and WCG have agreed to enter into an agreement to restrict the Company's ability to dispose of any of the retained WCG stock for a period not to exceed three years, provided the Company is able to secure a ruling from the Internal Revenue Service that such a limitation is not inconsistent with any ruling issued to the Company regarding the tax-free treatment of the spin-off of WCG.

Item 7. Financial Statements and Exhibits.

The Company files the following exhibit as part of this report:

Exhibit 99. Copy of the Company's press release, dated March 30, 2001, publicly announcing the information reported herein.

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

THE WILLIAMS COMPANIES, INC.

Date: March 30, 2001

/s/ Suzanne H. Costin

Name: Suzanne H. Costin
Title: Corporate Secretary

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
99	Copy of the Company's press release, dated March 30, 2001, publicly announcing the information reported herein.

EXHIBIT 99

News Release [WILLIAMS LOGO]

NYSE:WMB

Date: March 30, 2001

Contact:			
	Jim Gipson	Rick Rodekohr	Richard George
	Williams (media inquiries)	Williams (investor inquiries)	Williams (investor inquiries)
	(918) 573-2111	(918) 573-2087	(918) 573-3679
	jim.gipson@williams.com	rick.rodekohr@williams.com	richard.george@williams.com

WILLIAMS BOARD OKS SPINOFF OF WILLIAMS COMMUNICATIONS; SETS RECORD, DISTRIBUTION DATES

Two Executives Promoted to Serve in the Office of the Chairman

TULSA, Okla. -- Williams (NYSE:WMB) announced today that its board of directors approved a tax-free spinoff of the company's communications business to Williams' shareholders.

The spinoff will be in the form of a dividend. Williams will distribute approximately 400 million shares, or about 95 percent of the Williams Communications (NYSE:WCG) common stock it currently owns, to holders of Williams common shares on the record date, which is 5 p.m. Eastern Time on April 9. Distribution is to occur on April 23.

"Today's decision brings to a conclusion an effort that began last summer. That is when our board began an analysis of whether separating Williams and Williams Communications would best enable each to reach its full potential and to most efficiently access capital markets," said Keith E. Bailey, chairman, president and chief executive officer of Williams.

"Obviously, the capital markets are very different today than when we began pursuing this objective, but the conclusion is obvious," he said. "With sufficient capital in hand to meet its needs well into 2002 and its next-generation network completed and open for business, we believe Williams Communications is poised to deliver on its great potential.

"Following the completion of the spinoff, Williams will have the ability to commit its balance sheet to the substantial growth opportunities that are available across the spectrum of our energy businesses, and we expect to continue to produce superior returns for our shareholders," Bailey said. "And, separating these two successful businesses should offer the market a greater ability to fully value them, which is even more critical in a time of market turmoil."

Based on the number of common shares of Williams stock currently outstanding, shareholders would receive approximately 82 percent of a WCG share for every share of Williams common stock they own. The actual distribution ratio will be determined on the record date by dividing the actual number of WCG shares to be distributed by the number of shares of Williams common stock outstanding.

Each Williams shareholder on the record date will receive whole shares of WCG and a cash payment for any fractional share. While the shares of WCG received through the dividend will be tax-free, the cash payments will be taxable. Williams shareholders who sell their shares after the record date, but before the distribution date will, under certain circumstances, also be selling their right to the distribution. Shareholders are encouraged to read information about the spinoff and facts related to the distribution of shares that will be mailed to them on about April 12, or to consult their financial adviser. Lehman Brothers is acting as financial adviser to both companies.

In other action today, the board elected Steven J. Malcolm, currently president and chief executive officer of Williams Energy Services, and Cuba Wadlington Jr., currently president and chief executive officer of Williams Gas Pipeline, as senior executive officers of Williams. In addition to their current duties, each has been promoted to executive vice president of Williams and will serve in the Office of the Chairman along with Bailey.

"Clearly, these are two experienced executives who have proven themselves time and again in their careers with Williams," Bailey said. "Their judgment will be invaluable to me as we refocus our company into an energy-only mode.

"Not only will this structure provide the most efficient way to accomplish our near-term goals, it should serve us over time in creating a pathway toward an orderly transition as I approach my retirement date," said Bailey, who is 58. "While that date has not been set and is well into the future, by the time it arrives I would expect there to be little, if any, doubt in anyone's mind that Williams' future is in good hands with our next generation of senior leadership."

ABOUT WILLIAMS

Williams, through its subsidiaries, connects businesses to energy and communications. The company delivers innovative, reliable products and services through its extensive networks of energy-distributing pipelines and high-speed fiber-optic cables. Williams information is available at www.williams.com.

###