

Cash and Cash Equivalents—The Company considers all highly liquid investments that are purchased with an original maturity of three months or less to be cash equivalents. At December 31, 2018 and 2017, the Company had interest-bearing time deposits and other cash equivalent investments of \$31 and \$9, respectively. The Company's restricted cash balances of \$15 and \$18 as of December 31, 2018 and 2017, respectively represent deposits to secure certain bank guarantees issued to third parties to guarantee potential obligations of the Company primarily related to the completion of tax audits and environmental liabilities. These balances will remain restricted as long as the underlying exposures exist and are included in the Consolidated Balance Sheets as a component of "Cash and cash equivalents." Following the adoption of ASU 2016-18: *Statement of Cash Flows (Topic 230) Restricted Cash*, the Company includes restricted cash in the cash and cash equivalents balance of the Consolidated Statements of Cash Flows.

The following table includes the impact of the adoption of ASU 2016-18 on the Consolidated Statements of Cash Flows for the years ended December 31, 2017 and 2016:

Consolidated Statements of Cash Flows

	For the year ended December 31, 2017		
	Previous Accounting Method	Effect of Accounting Change	As Reported
Cash flows used in investing activities			
Change in restricted cash	\$ 1	\$ (1)	\$ —
Net cash used in investing activities	(109)	(1)	(110)
Effect of exchange rates on cash and cash equivalents	6	2	8
Change in cash and cash equivalents	(82)	1	(81)
Cash, cash equivalents and restricted cash at beginning of period	179	17	196
Cash, cash equivalents and restricted cash at end of period	\$ 97	\$ 18	\$ 115

Consolidated Statements of Cash Flows

	For the year ended December 31, 2016		
	Previous Accounting Method	Effect of Accounting Change	As Reported
Cash flows used in investing activities			
Change in restricted cash	\$ (9)	\$ 9	\$ —
Net cash used in investing activities	210	9	219
Effect of exchange rates on cash and cash equivalents	(4)	—	(4)
Change in cash and cash equivalents	(49)	9	(40)
Cash, cash equivalents and restricted cash at beginning of period	228	8	236
Cash, cash equivalents and restricted cash at end of period	\$ 179	\$ 17	\$ 196

Allowance for Doubtful Accounts—The allowance for doubtful accounts is estimated using factors such as customer credit ratings and past collection history. Receivables are charged against the allowance for doubtful accounts when it is probable that the receivable will not be collected.

Inventories—Inventories are stated at lower of cost or net realizable value using the first-in, first-out method. Costs include direct material, direct labor and applicable manufacturing overheads, which are based on normal production capacity. Abnormal manufacturing costs are recognized as period costs and fixed manufacturing overheads are allocated based on normal production capacity. An allowance is provided for excess and obsolete inventories based on management's review of inventories on-hand compared to estimated future usage and sales. Inventories in the Consolidated Balance Sheets are presented net of an allowance for excess and obsolete inventory of \$9 at both December 31, 2018 and 2017.

Deferred Expenses—Deferred debt financing costs are included in "Long-term debt" in the Consolidated Balance Sheets, with the exception of deferred financing costs related to revolving line of credit arrangements, which are included in "Other long-term assets" in the Consolidated Balance Sheets. These costs are amortized over the life of the related debt or credit facility using the effective interest method. Upon extinguishment of any debt, the related debt issuance costs are written off. At December 31, 2017, the Company's unamortized deferred financing costs included in "Other long-term assets" were \$8, and unamortized deferred financing costs included in "Long-term debt" were \$41.