December 9, 2011

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

Re: Rulemaking Docket Matter No. 37, *Concept Release on Auditor Independence and Audit Firm Rotation*

Members of the Board:

CC Media Holdings, Inc. ("we" or the "Company") is pleased to respond to the Board's request for comments on the above referenced concept release. We expect that through the review of comments and additional roundtable discussions on this topic, the Board will conclude that the economic cost and disruptions of senior management resulting from mandatory audit firm rotation outweigh the anticipated benefits. We do not believe that mandatory audit firm rotation is in the best interest of the investing public and welcome the opportunity to comment on any alternatives. The following are key points to consider while evaluating mandatory audit firm rotation:

- *Potential Diminished Quality and Increased Costs*
  The costs born by public companies and their shareholders will ultimately increase in the long-term as audit firms begin to absorb the impacts of rotating audits. In addition to fee increases there is a strong potential for a decrease in audit quality. Audit fees and quality may be impacted by factors including:
  - Additional proposals and due diligence procedures performed by auditors to win and accept new clients;
  - Relocation of audit partners and audit teams to meet the demand of mandatory rotations;
  - Long-term negative impacts to the audit profession passed along to public companies and their shareholders as additional fees.
    - The long-term negative impacts to the profession may begin to surface in unwillingness of audit partners and staffing to relocate as mandatory rotations occur.
    - Natural attrition may present less career-enhancing opportunities for audit staff filling these positions when a job is up for rotation.
  - Industry expertise available within an audit firm may be limited to absorb new clients resulting in less experienced teams performing audits.

  Public companies and their shareholders should not be required to absorb the additional costs without substantive and conclusive evidence to link audit firm tenure with concerns about auditor independence or quality.

- *Weakened Corporate Governance Structure*
  Corporate governance exists to ensure boards and audit committees operate in the best interest of their shareholders. The audit committee's role was defined by the Sarbanes-Oxley Act making it directly responsible for oversight of the audit process at public companies. The audit committee is responsible for evaluating the effectiveness of the auditor in the best interest of the shareholders. Mandatory auditor rotation limits the audit committee's choice by not allowing them to retain the most appropriate audit firm which may be the incumbent firm.

  Audit firms have internal programs to ensure that their auditors are skilled in understanding the meaning of independence, professional skepticism and objectivity. The audit committee works with these individuals regularly and is well-positioned to judge them. There are few choices for global multinational companies in selecting qualified audit firms with the scope and skills required. It is possible that a mandatory change could result in the new individual auditors exhibiting less independence, professional skepticism, and objectivity than their predecessor which was in good standing with the audit committee. Concern about independence, professional skepticism and objectivity is an individual issue rather than an audit firm issue and it should be monitored by PCAOB review and training initiatives.

- *Institutional Knowledge*
  Repeated distraction and disruption caused by mandatory audit firm rotation places an unnecessary burden on

companies. The lack of cumulative knowledge of the company or industry and the time required to bring a new audit team up to speed presents obstacles and will undoubtedly require senior management to spend more time training the new auditor on historical accounting positions, transactions and possibly the industry. The SEC currently requires partner rotations from audit engagements, which combined with natural turnover of personnel within the company as well as the audit firm, helps strengthen auditor independence, objectivity and professional skepticism. The historical and institutional knowledge of the remaining audit team and national office of the audit firm is invaluable to the new audit partner but also the audit client who can leverage the historical audit team in training the new audit partner.

Each time a global public company is required to change auditors it will likely be a global change in order to maintain the cost efficiencies of having a single audit firm. This significantly complicates auditor rotation especially where numerous statutory audits are performed in addition to the SEC reporting. It requires new relationships to be built across multiple countries in a global company. It is likely to take the new audit firm 3-4 years to become efficient and effective while the company and the shareholders bear the cost. An additional complexity in choosing an audit firm is existing independence rules regarding non-audit services. The rotation requirement would limit the choice of audit firms or limit the audit firms who provide non-audit services.

In the event the mandatory auditor rotation is required, there should be no limitation on the audit committee's decision to remove an audit firm prior to the end of a mandatory rotational period. In addition, requiring the audit committee to mandatorily solicit bids after a certain number of years or justify retention of the exiting auditor is redundant to the existing role of the audit committee. An effective audit committee is designed to be independent of management and govern the auditor and auditing process.

We appreciate the Board's consideration of our comments on this topic and welcome the opportunity to provide further comments if requested. If you have any questions in regard to this letter, please don't hesitate to contact Scott Hamilton, Senior Vice President and Chief Accounting Officer at (210) 822-2828.

Sincerely,

/s/ Scott D. Hamilton
Scott D. Hamilton
Senior Vice President and Chief Accounting Officer
CC Media Holdings, Inc.