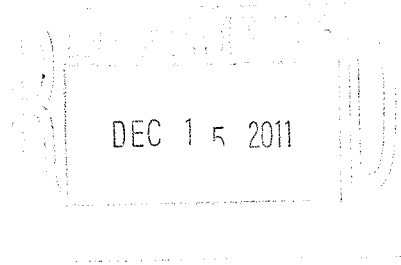




December 12, 2011

Office of the Secretary
PCAOB
1666 K Street, N.W.
Washington, D.C. 20006-2803



Re: PCAOB Rulemaking Docket Matter No. 37

Chairman Doty:

I am writing you as Chairman of the Audit and Risk Committee for Ameren Corporation (NYSE: AEE), a Fortune 500 public utility holding company, in response to the invitation to comment on the Public Company Accounting Oversight Board's ("PCAOB") Concept Release on Auditor Independence and Audit Firm Rotation (the "Concept Release").

Audit committees have a vested interest in ensuring the audits of the companies we oversee are performed in an independent and high quality manner, and result in reliable and accurate financial statements. It is our role to assess the quality and independence of the auditor and to make changes when necessary. I believe we are fully equipped to handle this responsibility without an additional regulatory mandate. I am also of the opinion that mandatory audit firm rotation would create a significant barrier to accomplishing the goal of reliable and accurate financial statements and, in fact, add significant risk of diminishing audit quality and detection of financial statement errors. In addition to this negative consequence, mandatory audit firm rotation would unnecessarily increase costs for our shareholders and customers.

Audit Quality

One advantage of audit firm tenure is that the auditor gains significant knowledge and understanding of a company over time, and such knowledge enhances audit quality. Performing a high quality, effective audit depends on an auditor's detailed understanding of an entity's operations. This is particularly important for complex industries, such as ours, which are highly regulated and specialized in terms of the services and products we offer, and the related business processes and risks. This expertise is institutionally built up over time within audit firms. The importance of this expertise to companies and audit committees is reflected in our industry by looking at the firms hired for audit work.

Audits of Fortune 500 companies are dominated by the Big Four independent accounting firms. Further, audits of large utilities, like Ameren, are dominated by just two firms that audit over 80% of Fortune 500 utilities. Clearly, utilities value this institutional knowledge and concentrate their audits where they believe it exists. Professional skepticism, a desired goal of the PCAOB in the Concept Release, must be founded in the understanding of the business. While this expertise could certainly be acquired over time by new audit firms, it appears very few companies are willing to take that risk.

Not only will institutional knowledge be lost with mandatory auditor rotation, adequate qualified staffing could be a challenge. Audit quality is enhanced by the ability of audit firms to attract and retain high-performing and qualified professionals to conduct audits. Mandatory audit firm rotation could make it difficult for audit firms to give their personnel career-enhancing assignments. In addition, with frequent changes in audit clients, firms will be challenged to predict and maintain proper staffing levels at various

locations. There will be requirements to rapidly add, reduce and relocate staff, creating training issues and concerns about access to qualified auditors to meet client needs.

Audit Committee Function

The SEC currently requires key audit partners to rotate off audit engagements after five years and avoid association with the audited company for another five years. As a result, I believe that there is already adequate partner and staff change on audits, as a result of this mandatory partner rotation and normal staff turnover, to provide the benefits of a "fresh viewpoint" on annual audits. In practice, audit teams regularly evaluate their audit procedures and revise them to improve effectiveness and efficiency.

Sarbanes-Oxley provides audit committees with responsibility for the appointment, compensation and oversight of independent audit firms, along with the responsibility for resolving any disagreements between management and the auditor regarding financial reporting. In addition, many public companies, including Ameren, provide for a shareholder vote to ratify the retention of the audit firm recommended by the audit committee on an annual basis. To be effective, audit committees should continue to have clear authority to oversee the audit process and to appoint, remove and compensate the auditor. While I support measures to encourage the continued development of strong and independent audit committees, I believe that audit committees, as presently configured, should continue to appoint and retain the audit firms they believe best meet shareholders' needs. I believe mandatory audit firm rotation would hinder the audit committee's ability to oversee the financial reporting and audit process in the interest of shareholders.

Costs and Timing

Mandatory audit firm rotation will also unnecessarily increase costs for our shareholders and customers that would exceed any perceived benefits. The Concept Release notes a General Accounting Office (now the Government Accountability Office) survey estimate that initial year audit costs - which includes costs beyond the audit fee itself - would increase by more than 20 percent with mandatory audit firm rotation. Because of the very limited pool of qualified independent audit firms, the basic rules of supply and demand would indicate there will be little incentive for audit firms to aggressively price their services since they will know a company must change auditors. In addition, there will be ramp-up costs for the new auditor and continuing costs to obtain consents from the previous auditor for the inclusion of their comparative period audit opinion in securities filings and for capital markets transactions. There will also be internal costs to companies as staff will be required to train new auditors on processes, risks and controls. This periodic training exercise will further divert staff attention from their duty to produce quality financial statements, increasing the risk of financial statement errors.

In addition, the timing of a required rotation could result in increased risks and distractions that could affect both audit quality and a company's planned transactions or activities at the time a mandatory auditor rotation occurs. Due to the learning curve that audit firms typically face with a new audit assignment, audits will be less efficient at the beginning of the engagement and can present a higher level of audit risk to a company. Audit risk also could be higher at the end of an audit rotation period as well if companies are distracted with planning for the transition to the new audit firm and the audit firm being replaced is focused on the next post-rotation assignment. While audit firms obviously can and have managed transitions effectively, the volume of such transition activity has been significantly less than what would be experienced under a mandatory rotation model.

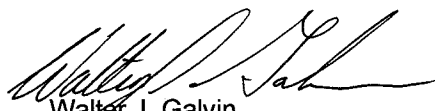
I also believe that the perceived increased independence from forced audit firm rotation may be illusory. Companies routinely use multiple accounting firms for audit and non-audit services. Again, with a limited pool of qualified firms, forced audit firm rotation could just result in changing the roles of

service providers. Previous audit and future audit firms would have ongoing relationships with management. Regulating the limitation of these business relationships would add further risks and costs to business processes.

The potential costs of decreased audit and financial statement quality far outweigh any perceived benefit of mandatory audit firm rotation. I request the PCAOB not pursue mandatory audit firm rotation and leave that responsibility to audit committees.

Thank you for the opportunity to comment on the proposal.

Sincerely,



Walter J. Galvin
Chairman of the Audit and Risk Committee
Ameren Corporation