



DEC 20 2011

December 15, 2011

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

Re: PCAOB Rulemaking Docket Matter No. 37

Gentlemen:

I am writing to you in response to your request for comments on the Concept Release on Auditor Independence and Audit Firm Rotation. Confidence in the work of auditing firms is critical to the functioning of our securities markets, and we appreciate well thought out proposals to improve auditing practices. However, we are opposed to any mandatory audit firm rotation rules because we believe that the costs and risks of such a policy outweigh any potential benefits.

A mandatory rotation policy would impose significant new costs on public companies. Each rotation would require the commitment of substantial financial and human resources to transfer auditing responsibilities to a new firm and familiarize the new firm with the company's business and financial practices. Public companies would bear this cost, both in terms of increased audit fees and the dedication of company resources to assist a new auditing firm in gaining familiarity with the company's accounting and control practices. The additional burden of these costs should not be lightly dismissed.

Moreover, effective audit oversight during the transition period would be challenging to manage until the new firm acquires the in-depth knowledge of the company's business to effectively complete its audit duties. While I am not aware of any published reports concerning the nature of audit engagements reviewed by the PCAOB, I suspect that a disproportionate number of the deficiencies noted by the PCAOB in its reviews of audits performed by the auditors of public companies relate to first-time audits. If my suspicion is correct, this would suggest that audit effectiveness may be reduced, rather than enhanced, as a consequence of rotation. As a former audit partner at a Big Four firm, I am well acquainted with the enhanced risks associated with initial engagements.

Other possible risks of a mandatory rotation policy are not well understood. One of the objectives of the proposal is to strengthen auditor objectivity. However, in an environment of mandatory rotation, objectivity could just as easily be compromised if, for example, firms were to focus on growing non-audit fees near the end of their rotation to replace upcoming lost audit fees, or to overly focus on preserving their position in future rotations. This could result in significant costs to the Company

without achieving the stated goal of enhanced objectivity. For this reason, among others, we believe that the Audit Committee is best positioned to assess auditor independence and objectivity.

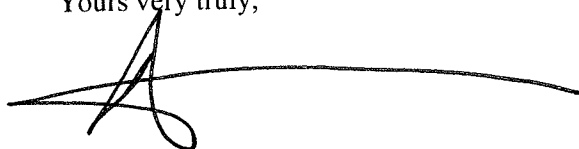
Further, if there were mandatory rotation, there is a risk that some audit firms could decide to withdraw from certain markets or not develop sufficient expertise in certain specialized industries if their investments in audit capabilities for those industries or markets are subjected to artificial rotation cycles. This could lead to fewer auditor options for companies, and could ultimately damage audit quality and effectiveness.

A mandatory rotation policy is a one-size-fits-all solution to a problem that does not clearly exist. Audit committees are charged with independent oversight of a company's audit firm, and are best positioned to oversee the audit process and determine when, and if, a change of audit firms is appropriate. Forced rotations may remove valuable institutional knowledge from the audit process precisely when the audit committee believes that such expertise is necessary for the protection of investors and other users of financial statements.

As the chief financial officer of a public company, I have a vested interest in the effective functioning of the audit process. If at any time I conclude that our independent audit has become ineffective, it is in my best interest, and that of our shareholders, to work with the audit committee to effect a change in audit firms.

In our view, the current audit oversight process works effectively, and there is insufficient evidence to justify mandatory audit firm rotation. Current audit partner rotation requirements involve fewer associated costs and risks and, in our view, effectively assure an appropriate degree of auditor independence and objectivity without the disruption and costs of audit firm rotation.

Yours very truly,

A handwritten signature in black ink, appearing to be 'Douglas R. Muir', written over a horizontal line.

Douglas R. Muir  
Chief Financial Officer