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December 2, 2011

Public Company Accounting Oversight Board  
Attention: Office of the Secretary  
1666 K Street, N.W.  
Washington, D.C. 20006-2803

Re: PCAOB Rulemaking Docket Matter No. 37

Chairman Doty:

On behalf of the Audit Committee of Green Plains Renewable Energy, Inc., please accept this letter in response to your request for comment on the concept release regarding auditor independence and audit firm rotation. At Green Plains, we firmly share the PCAOB's interest in ensuring high-quality and reliable audits. We believe auditor independence, objectivity and professional skepticism are of paramount importance to public companies like ours that strive to ensure transparency and integrity of information to current and potential investors.

In our considerable experience, we find the audit process to be significantly less efficient and effective with new audit engagements due to the steep learning curve audit firms face. While an audit firm brings technical expertise and general industry knowledge to an audit, it lacks specific knowledge about the client at the outset of the engagement. Accordingly, new auditors invest a significant amount of time gaining an understanding of the business, including its internal control environment, accounting and business processes, and corporate structure. Obtaining an in-depth understanding of a company is critical to an effective and independent audit.

Comprehensive knowledge and understanding of a company is required for a complete and accurate audit risk assessment. As a result, anything that threatens or reduces this understanding has a direct impact on audit quality. While some may believe that longer audit firm tenure may compromise objectivity, independence and professional skepticism, we believe that such tenure enhances the quality of our audit to the advantage of the investor. In addition, we believe objectivity concerns have been adequately addressed with the current mandatory audit partner rotation requirements, which are designed to bring fresh perspectives on accounting matters related to the engagement.

An audit committee is charged with evaluating the audit firm's performance and determining whether and when a change in audit firm would be in the best interests of the company's shareholders. The audit committee is well positioned to make this judgment because it is aware of the company's audit needs, risk environment and internal operations. It works closely with the audit firm and can evaluate its quality and industry knowledge, as well as the firm's application of independence, objectivity and professional skepticism. We believe the audit committee should continue to be charged with the responsibility to dismiss an audit firm if it determines that the auditor lacks these traits.

A mandatory audit firm rotation model would leave the audit committee with fewer suitable alternatives from which to choose the firm that best meets the needs of its company and its shareholders. Audit firms can have different industry expertise and geographical reach, which may contribute to differences in the quality of the audit for that specific company. Mandatory audit firm rotation would automatically disqualify the current audit firm from the pool of candidates, thereby restricting the audit committee's ability to choose the firm it may believe is best suited to conduct the audit. For many public companies, there are a limited number of audit firms large enough, or that possess the requisite expertise, to effectively audit those companies.

Evaluating, selecting and educating new auditors on a mandated rotating basis can be a time consuming and costly process. Senior management and audit committee time would be spent preparing invitations for bids, providing background information to bidders, evaluating responses, interviewing candidates and ultimately selecting a successor auditor. Once selected, the transition process to a new audit firm is very time consuming, involving substantial management and staff resources. For a company like ours in which significant growth has occurred, mandated rotation of auditors could be particularly challenging, especially if the timing coincides with a significant merger or acquisition transaction. As we have been through this process in the recent past, we are well aware of the time commitment and cost of changing auditors.

In summary, we believe our audit committee is in the best position to evaluate whether our auditors are independent, objective and are exercising an appropriate level of professional skepticism. The audit committee should continue to have the autonomy to select the best auditor, based on the audit firm's experience and industry knowledge, instead of being forced to choose another auditor due to a mandated requirement for rotation. We also believe mandated auditor rotation may reduce audit effectiveness due to the potential loss of the significant knowledge, understanding and risk awareness the auditor has gained over time. Finally, it is our belief that the time commitment and corresponding costs associated with mandatory audit firm rotation far outweigh any benefits for us or our shareholders.

Thank you for the opportunity to comment on this proposal.

Sincerely,



Jerry L. Peters  
Chief Financial Officer

cc: James F. Crowley  
Audit Committee Chairman, Green Plains Renewable Energy, Inc.