



H. Eugene Lockhart, Chair
Audit and Compliance Committee
300 RadioShack Circle
Fort Worth, Texas 76102

December 14, 2011

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

Subject: PCAOB Rulemaking Docket Matter No. 37

Board Members:

As Chair of the RadioShack Corporation (“Company”) Audit and Compliance Committee (“Audit Committee”) and on behalf of the Company’s other Audit Committee members and Board of Directors, I would like to express our appreciation to the Public Company Accounting Oversight Board (“PCAOB”) for the opportunity to comment on PCAOB Release No. 2011-006, Concept Release on Auditor Independence and Audit Firm Rotation (“Release”).

The Sarbanes-Oxley Act of 2002 (“Act”) instituted fundamental changes in the relationship between a company’s audit committee and its audit firm. Empowering the audit committee with oversight over the engagement and activities of the audit firm instead of company management strengthened the audit firm’s independence. Rules around providing non-audit services and mandatory engagement partner rotation also provided a stronger independence framework.

The Board of Directors and the Audit Committee took actions to meet and exceed the requirements of the Act and has maintained a high level of compliance over the years. One of the most important expressed responsibilities of the Audit Committee is to review and approve the annual integrated audit of the Company’s financial statements and an ongoing oversight and evaluation of the performance of our independent registered public accounting firm (“Auditors”). This process includes a review and evaluation of the Auditors’ qualifications and independence, the engagement partner and the quality review partner. Through this we seek to maintain free and open communication among the Audit Committee, Auditors, internal auditors and management to ensure that the Company’s financial statements, financial reporting and disclosure control process and the systems of internal accounting and financial controls are of the highest integrity.

It is our belief that the independence of our Auditors is extremely important in providing shareholders and the investment community with the highest level of reliable financial information.

In the Release the PCAOB has asked whether mandatory audit firm rotation would enhance auditor independence, objectivity and professional skepticism. To this end, we offer the following comments:

- The Company's Audit Committee is entirely composed of independent, non-employee members of the Board of Directors that are uniquely qualified to serve in their capacity with a wide and varied expertise in financial matters and business acumen along with specific knowledge and experience with the Company. With this expertise, knowledge and experience we are better enabled to assess the independence of our Auditors and determine the appropriateness of rotation upon the Company's specific circumstances instead of a mandatory rotation of audit firms.
- While the effect of mandatory audit firm rotation on a specific company is unknown, we feel it would represent a significant change in historical practice that would increase the Company's financial reporting risk and governance, which would inevitably result in inefficiencies and higher costs to the Company with no proven increase in benefit. We believe any potential decrease in audit quality would be an unacceptable risk regardless of the cost.
- An integral part of providing the highest quality financial reporting is our Auditors' knowledge base that allows them to become deeply familiar with the Company's financial reporting process. Instead of introducing risk, this enhances the value to the Company of an ongoing relationship with our Auditors, and the Audit Committee deems this knowledge and familiarity to be an asset of considerable worth.
- Many business events that have a significant bearing upon the Company's financial statements span multiple accounting periods, and could span the rotation periods, if required, of our Auditors. Due to the complexity of transactions and the related financial reporting implications, this could cause an undue risk and additional costs in the transition to new Auditors.

While we support efforts to improve the quality and reliability of the financial reporting process, we believe the evaluation of the independence and overall effectiveness of an audit firm is best served through the rigorous adherence to the reforms made in the Sarbanes-Oxley Act of 2002 by which the audit committee, comprised of independent non-employee directors, was charged with overseeing the engagement and ongoing relationship with the audit firm. The governance put in place over the last decade has uniquely placed the audit committee in the best position to make these evaluations and determine when, and if, audit firm rotation is in the best interest of all stakeholders.

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For the foregoing reasons, we oppose mandatory audit firm rotation and do not believe it would enhance audit firm independence. We do believe the necessary rules are in place through the Act, and the development of the appropriate compliance processes by responsible audit committees has already accomplished this goal. To the extent that this goal has not been accomplished, we believe regulatory efforts would be most effective if focused on increasing compliance with existing rules, rather than the adoption of new rules that may not further auditor independence.

Sincerely,

RADIOSHACK CORPORATION

A handwritten signature in black ink, appearing to read "H. Eugene Lockhart", with a long horizontal flourish extending to the right.

H. Eugene Lockhart (Chair)
Audit and Compliance Committee