

December 2, 2011

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

Board Members and Staff:

I appreciate the opportunity to provide comments on Rulemaking Docket Matter #37- Concept Release 2011-006, Auditor Independence and Audit Firm Rotation. The comments below are mine and should not be attributed to any other individual or entity.

I have served as Audit Committee Chairman for several public companies over the last ten years including, currently, Calpine Corporation and Charter Communications, Inc. I support the efforts of the PCAOB to improve audit quality. Indeed, I have observed substantial improvements in auditor performance and audit quality over these ten years. I do not support, however, the proposal for mandatory auditor rotation as I believe the degree of benefits derived would be overwhelmed by increased costs, inefficiencies, enhanced audit risk for several years after mandatory rotation, and the impact of forcible termination of high performing audit relationships.

In complex industries, deep independent auditor industry knowledge combined with knowledge of individual company history, and company processes and systems is vital. It can take years to fully acquire and process this knowledge. To lose this knowledge periodically will increase costs in the first few years post rotation from training and startup investment. I also believe audit risk may even increase in the early years of rotation as the successor scrambles to accumulate that knowledge. As a lead audit partner for a number of years who several times succeeded other audit firms on large, complex companies, I can attest to the substantial challenges involved.

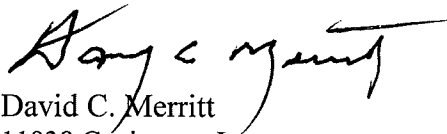
The current regulatory environment strongly encourages audit committees to demand the highest level of professionalism and performance from independent auditors. While this goal is not always met, I have not observed any correlation between substandard audit performance, independence,

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objectivity or professional skepticism and the duration of the audit relationship. In those cases where the independent auditor is performing at a very high level (which I believe is the more typical situation especially with longer term relationships), it would be very unfortunate to be required to terminate this. This would undercut audit committee efforts and authority to choose the audit firm that best serves company needs and offers the highest quality, and to demand continuous improvement and excellence from the independent auditor.

The PCAOB and other regulatory and professional organizations are perfectly correct to strive for improved audit performance and independence. Partner rotation, required communications, external peer and PCAOB reviews and enhanced audit committee responsibility for oversight of independent auditors represented progress in this effort. Imposing mandatory rotation to address those instances of breakdowns in auditor independence will impose very substantial costs on the system for unknown and/or uncertain gains in audit quality and may actually be counterproductive by disturbing the many instances where existing audit quality, efficiency and independence is already quite high.

Very truly yours,



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