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

Re: PCAOB Rulemaking Docket Matter No. 37 – Concept Release on Auditor Independence and Audit Firm Rotation

We appreciate the opportunity to comment on the PCAOB's concept release on auditor independence and audit firm rotation. We agree that auditor independence is crucial to the audit process, and our Audit Committee and management team very much appreciate the value of independent auditor insight and input in our financial reporting process.

We have grave concerns, however, regarding the concept of mandatory audit firm rotation. We have seen no evidence to support the notion that audit quality would improve as the result of mandatory audit firm rotation, and in fact our experience suggests that mandatory rotation would negatively impact audit quality, as well as the efficiency of our business in the United States and around the globe.

Our view is shaped by three primary concerns. First, and most importantly, we do not believe that abruptly uprooting the entire audit team experienced in auditing our financial statements will improve audit quality. Like many other industries, the automotive industry is highly complex, and we rely on a skilled independent audit team familiar with our industry and our One Ford business model to ensure careful and rigorous auditing of our processes. While we appreciate the benefits of partner rotation, we believe that this works only because the entire support system provided by the audit team remains in place.

Considering the time and effort required for an entirely new audit team to become sufficiently familiar with our business to undertake a thorough and meaningful audit, we strongly believe that audit quality would suffer for the first few years of a new engagement. Under the mandatory rotation scheme set forth in the concept release, we note that just as the new audit team would be mastering the fundamentals of our business it would be time to start fresh with an entirely new audit team. We do not believe that this upheaval would benefit our Audit Committee, our management team, or our investors.

Second, we note that large U.S. multinational companies like ours already must select from a limited number of independent registered public accounting firms with the international presence to support an effective audit. Even with its international presence, our current audit firm has had to expand in certain markets in order to match our manufacturing footprint. If audit firms were required to rotate from an engagement every five years, it is unlikely that any firm would be willing to make the significant investment necessary to support a thorough audit for multinationals doing business in markets around the world, and we believe that audit quality would suffer as a result.

Finally, the regulatory requirements currently in place in the United States would create at least one significant unintended consequence if the PCAOB were to require audit firm rotation. In light of the prohibition on the provision of a wide range of services by the firm that audits a company's financial statements, mandatory audit firm rotation would require a company's incoming audit firm to withdraw from all such projects midstream. Like most multinational firms, we work with each of

the Big Four accounting firms – PricewaterhouseCoopers is our audit firm, and we engage KPMG, Ernst & Young, and Deloitte to assist us with crucial projects that often span multiple years and involve great expense (such as financial information systems design and implementation services, valuation services, etc.). Requiring us to rotate away from our current audit firm at a set interval would cause a significant ripple effect throughout our business, as our incoming audit firm would be required to withdraw immediately from ongoing projects. For time-sensitive projects in particular, this could be extremely detrimental to our business.

For each of these reasons, we strongly believe that mandatory audit firm rotation in fact would be detrimental to audit quality. We have discussed this issue with our Audit Committee, which shares our concerns.

We thank you for the opportunity to comment on the concept release on auditor independence and audit firm rotation, and we welcome any questions or comments you may have. We remain available for further discussion at your convenience.

Sincerely,

/s/ Bob Shanks