



December 7, 2011

Sent via email: comments@pcaobus.org

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

Dear PCAOB Board Members:

I am writing to you as Chairman of the Audit Committee of Coca-Cola Bottling Co. Consolidated in response to your request for comments on the Concept Release on Auditor Independence and Audit Firm Rotation. Our public securities markets require confidence in the work of auditing firms, and we welcome consideration of proposals to improve current 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.

From a pure financial and operational perspective, 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 efficiently transfer auditing responsibilities to a new firm and familiarize the new firm with the company's business and financial practices. The additional burden of these costs should not be lightly dismissed. Even more importantly, effective audit oversight during this transition period would be challenging to manage until the new firm acquires the business fluency necessary to effectively complete its audit duties.

Other possible risks of a mandatory rotation policy are not well understood. One of the focus points of the proposal was to strengthen auditor objectivity; however, in an environment of mandatory rotation, objectivity could just as easily be compromised if, for instance, 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 established goal of enhanced objectivity, which is why 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 “feast and famine” cycles. This could lead to fewer auditor options for companies and could ultimately damage audit quality and effectiveness.

Furthermore, a mandatory rotation policy is a one-size-fits-all solution to a situation that is both complex and highly company-specific in practice. Audit committees are charged with independent oversight of the audit firm and are best positioned to oversee the audit process and determine when a new audit firm 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 the company’s shareholders.

In our view, the current audit oversight process works effectively and there is insufficient evidence to justify a mandatory audit firm rotation rule. 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.

Sincerely,



McKay Belk
Audit Committee Chairman
Coca-Cola Bottling Co. Consolidated