WYNDHAM
WORLDWIDE

December 8, 2011

Office of the Secretary
Public Company Accounting Oversight Board
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

Dear Board Members:

Wyndham Worldwide Corporation appreciates the opportunity to comment on the Concept Release regarding Auditor Independence and Audit Firm Rotation (the "Concept Release") issued by the Public Company Accounting Oversight Board ("PCAOB") in August 2011. We support the PCAOB's efforts to foster auditor independence, objectivity and professional skepticism as part of the audit process.

We respectfully oppose mandatory audit firm rotation for the following reasons: mandatory audit firm rotation will not improve audit quality; mandatory audit firm rotation will increase the cost of audits; the audit committee is in the best position to ensure the independence of the audit firm; existing rules to ensure the independence of the audit firm are effective; and there are substantial practical difficulties with mandatory audit firm rotation.

We believe that mandatory audit firm rotation would not improve audit quality and may in fact diminish the quality of the audit. The issuer and the quality of the audit derive benefits from the cumulative knowledge the audit firm acquires over time about the issuer and its industry. Audit firm rotation will necessarily involve a steep learning curve for the new auditors. Such a learning curve will likely reduce the quality of the audit given the complexity of large public companies. While a new audit firm will involve a fresh look at the issuer's financial reporting, the review will be made without institutional knowledge as well as issuer-specific accounting experience critical for the highest quality audit. We believe, as discussed further below, that audit committee oversight, audit partner rotation, audit firm quality control measures and PCAOB inspections provide a substantial governance and regulatory framework that results in high quality audits.

We believe mandatory audit firm rotation will increase the cost of audits. Fees for the new audit firm will necessarily be higher as the new firm's personnel must climb the learning curve at the issuer's cost. The wholesale replacement and orientation of audit personnel across numerous domestic and international facilities will be costly. Issuers will incur costs related to the time and effort that will be required for the issuer's employees to educate the new auditors on the issuer's operations, accounting and internal processes. The Concept Release cites a study that initial year audit costs after mandatory firm rotation may increase by 20 percent. We believe and fear that the actual cost increase could be far greater.

We believe that the independent audit committee of the board of directors is in the best position to ensure independence, objectivity and professional skepticism of the audit firm. The Sarbanes-Oxley Act of 2002 made the audit committee directly responsible for the appointment and oversight of the audit firm. The audit committee comprehensively reviews the independence and performance of the audit firm and we believe it is the committee's responsibility to determine if and when rotation of the audit firm is required.

We believe existing rules are effective to ensure the independence of the audit firm. The Sarbanes-Oxley Act of 2002 established the PCAOB and mandatory rotation of audit partners, enhancing auditor independence. PCAOB audit firm reviews focus on issues with audit firm independence. Partner rotation provides a fresh look at financial reporting without the downsides of mandatory firm rotation. Similarly, restrictions on non-audit services, audit firm quality control measures and personnel turnover at the audit firm and the issuer promote auditor independence.

Finally, large, multi-national companies will face practical difficulties with mandatory audit firm rotation. Mandatory rotation will present difficulties in administering local audits of foreign subsidiaries if the new audit firm does not have the geographical coverage for the local engagements. Issuers who employ the same firm for audit and tax services may be required to change tax professionals at each rotation to the extent they work in tandem with the audit professionals. Issuers will encounter difficulties in maintaining independence with potential successor firms while engaging suitable firms to provide non-audit services. In addition, management will be diverted and distracted while selecting new firms and administering each new audit firm rotation.

For the reasons described above, we oppose mandatory audit firm rotation. Thank you for the opportunity to express our views on the Concept Release.

Thomas G. Conforti
Executive Vice President and
Chief Financial Officer

Michael H. Wargotz
Chairman, Audit Committee of the
Board of Directors

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