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December 8, 2011

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

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

Dear Secretary:

MeadWestvaco Corporation ("MWV") provides packaging solutions to many of the world's most-admired brands in the healthcare, beauty and personal care, food, beverage, home and garden, and tobacco industries. The company's businesses also include Consumer & Office Products, Specialty Chemicals, and the Community Development and Land Management Group, which sustainably manages the company's land holdings to support its operations, and to provide for conservation, recreation and development opportunities. With 17,500 employees worldwide, MWV operates in 30 countries and serves customers in more than 100 nations.

MWV appreciates the opportunity to submit comments to the Public Company Accounting Oversight Board ("PCAOB") on its concept release on auditor independence and audit firm rotation.

We believe auditor independence, objectivity and professional skepticism are critical to the preservation of confidence both in the audit profession and in audited financial statements. Although we support the PCAOB's continued efforts to enhance these areas, we do not believe that mandatory audit firm rotation would have the intended affect on these areas for the reasons discussed below.

**Audit quality**

Cumulative institutional knowledge provides a significant advantage to the auditor in detecting areas of risk which enhances audit quality. We believe mandatory audit firm rotation would impair audit quality due to the loss of this cumulative knowledge as well as from the resulting learning curve that would be required by a new auditor appointment. Furthermore, we believe the build up of institutional knowledge that an



Public Company Accounting Oversight Board  
December 8, 2011  
Page 2

audit firm obtains from a long-term relationship with a client enhances an auditor's professional skepticism through a more in depth understanding of critical risk areas. Therefore we believe mandatory audit firm rotation would lead to a higher risk of undetected material misstatements in the early stages of appointment which will ultimately harm investor interests and other users of audited financial statements.

### **Corporate governance and audit fees**

Promoting auditor independence is strongly rooted in current rules and regulations, such as those enacted as part of the Sarbanes-Oxley Act. Audit partners serving on engagements have current rotation requirements and an audit firm's ability to perform certain non-audit services has been eliminated. Boards and in particular audit committees have a duty to act in the interest of shareholders which includes the selection and retention of an independent auditor. Audit committees are well positioned to evaluate auditor independence as well as understand the audit needs of their respective company. Audit committees that are effective will dismiss audit firms that do not meet these objectives. Mandatory audit firm rotation would limit the authority of the audit committee in their evaluation of auditor independence. Audit firm rotation would also be costly due to the learning curve and other processes required with a new audit firm appointment. We believe audit fees would increase in the early years of an audit while the successor auditor learns the company's practices and related accounting procedures and policies. Audit teams are able to increase their productivity and overall audit efficiency by leveraging from cumulative knowledge and experience. Increased audit productivity and efficiency leads to higher quality and more cost effective audits. We believe such cost increases associated with mandatory audit firm rotation would outweigh any potential benefits.

For these reasons we do not support the concept of mandatory audit firm rotation. Thank you for the opportunity to provide comments on the PCAOB's concept release and for your consideration of our feedback.

Sincerely,

A handwritten signature in black ink that reads "John E. Banu". The signature is fluid and cursive.

John E. Banu  
Vice President and Controller