The Andersons

P.O. Box 119
Maumee, Ohio 43537
419/893/5050

December 12, 2011

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

RE: PCAOB Rulemaking Docket Matter No. 37

Dear Chairman Doty,

The Andersons Inc. appreciates the opportunity to comment to the Public Company Accounting Oversight Board (PCAOB) on Rulemaking Docket Matter No. 37 – Concept Release on Auditor Independence and Audit Firm Rotation.

While The Andersons agrees the independence, objectivity and skepticism of the external auditors is of critical importance and supports the PCAOB's efforts to enhance audit quality, we do not believe that mandatory firm rotation would lead to increased assurance in the accuracy of the financial statements. We believe mandatory rotation would actually decrease the quality of the audits at least during the first few years with a new firm.

Changes in auditors require scrutiny by the board and audit committees which could divert their attention from other areas of concern. Due to significant disruptions to management and accounting personnel due to a new firm, the company will experience increased internal operating and administrative costs. With many companies operating with lean staffing, these diversions could lead to less scrutiny in other areas of the company's operations. The rotation of audit firms will increase audit costs to the company with no appreciable benefit to the shareholders. External audit fees will increase as firms will need to expend considerable resources familiarizing themselves with the company in the first few years of the audit engagement. The decision to change auditors is not simply a cost issue, but moves well beyond cost to the effectiveness and quality of the audit.

The Andersons Inc is a complex company which requires the audit firms to have specialized accounting knowledge and an understanding of several diverse businesses. This knowledge includes comprehending complex accounting topics, understanding judgments and estimates, and evaluating the risks for the company. In some regions of the country, it could be difficult to find qualified firms that have the required expertise, staffing levels and independence. This lack of specialized accounting knowledge could lead to degradations in the audit process. Mandatory firm rotation would erode the effectiveness and efficiency gained by an audit firm over time.

Regardless of whether an accounting firm is new to an engagement or has audited a company for many years, the firm must collaborate closely with company management to work through any issues which arise during the engagement. This closeness does not constitute a lack of independence, but a desire to have the best possible audit to ensure the information provided to investors is complete, accurate, and timely. Without this interaction, the audit is doomed to failure.

We feel there are other viable alternatives to mandatory audit firm rotation. The current structure of oversight could be even more efficient if audit committees are provided PCAOB firm review information on a timelier basis. A mandatory requirement could be created for the firm to present audit committees with the detailed findings of the PCAOB's review as part of the firm's required communication. This requirement would assist the audit committee with monitoring the firm's findings and corrective actions as well as provide information when deciding to hire another firm based on the results of the review. Another viable alternative is that the PCAOB could require the firm to resign as a company's auditor as an enforcement action, if conditions warranted such an action.

We believe the PCAOB has already addressed the concern of audit independence with existing rules, including mandatory partner rotations after five years and reviews of the audit firms. In additions, boards, audit committees and senior executives have increased their oversight for the accuracy of the financial statements and related disclosures. Audit committees have statutory mandates related to the selection of and compensation paid to the external auditor which they believe best meets the interests of the shareholders.

Thank you for your consideration.

Sincerely,

Michael J Anderson

Michael Anderson, Sr.
President & CEO
The Andersons, Inc.
Maumee, OH

David J Nichols

David Nichols
Audit Committee Chairman
The Andersons, Inc.
Maumee, OH