PVH CORP.

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VIA EMAIL TO: COMMENTS@PCAOBUS.ORG

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

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

On behalf of PVH Corp. (NYSE: PVH), we welcome the opportunity to comment on the PCAOB's Concept Release No. 2011-006 on Auditor Independence and Audit Firm Rotation (the "Concept Release"). PVH is a Fortune 500 company and one of the largest apparel companies in the world.

We commend and support the Board on its objective of ensuring auditor independence, objectivity and professional skepticism. We believe that the initiatives enacted with the Sarbanes Oxley Act that are noted in the Concept Release, including the requirement that the audit committee rather than management appoint the auditor and oversee the engagement, the prohibition on the auditor providing certain non-audit services, and mandatory audit partner rotation, have all bolstered auditor independence. However, we also believe that the cost of those initiatives has been minimal, such that the benefits clearly outweighed the costs.

We share the Board's concern for audit deficiencies and acknowledge the statement in the Concept Release that an auditor may have to struggle against letting the pressures of client service interfere with his or her duty to serve the public. For this reason, we believe it is possible that improving auditor independence may *reduce* audit deficiencies that result from a lack of independence. We also believe, however, that mandatory auditor rotation might *increase* audit deficiencies by a greater amount. In addition, we believe that increased financial expense from mandatory auditor rotation is likely to offset any gains from improved auditor independence. The following observations, many of which are noted in the Concept Release, form the basis for our belief:

Audit Quality

- An audit firm's knowledge of the company and industry develops over time as it gains experience dealing with the relevant accounting standards and processes that must be applied, along with complex systems, organizational structures and industry practices. Under a mandatory rotation approach, the learning curve would restart with each transition, exposing clients to a period of higher risk of audit failure. This view apparently was shared by the Cohen Commission, which stated that in its study of cases of substandard performance by auditors, many of the problem cases were first- or second-year audits, indicating to them the higher peril associated with new audit assignments.

- It is the audit committee's responsibility to oversee the quality of the audit and decide whether or not to retain an audit firm based upon the particular strengths that the audit firm brings to clients in certain industries. We share former SEC Chairman Harvey Pitt's view as referenced in the Concept Release that "large accounting firms are not fungible and there can be valid market-driven reasons, such as expertise in a certain industry, for selecting and retaining one firm over others." If companies are mandated to rotate audit firms, then audit committees will be stripped of their decision making abilities to select the most qualified audit firm using their judgment and expertise.

Financial Expense

- Financial costs would increase due to the disruption that will be created by mandatory audit firm rotation. The increased time spent by a new audit firm reviewing previous auditor workpapers, revisiting previous accounting judgments and learning the intricacies of a company's systems and processes will be passed on as increased costs to the company and its shareholders. As noted in the GAO survey referenced in the Concept Release issued in 2003, nearly all of the larger firms that responded to the survey estimated that initial year audit costs would increase by more than 20 percent.

- In addition to external audit fees, companies would also need to spend significant internal resources educating new auditors about the company's financial complexities and prior accounting judgments. The costs associated with educating new auditors for a company, especially one with a broad global footprint, while difficult to quantify, would be significant and incremental to the audit cost increases referenced in the GAO survey. Furthermore, we believe that diverting management attention from day-to-day business issues may in itself increase the risk of financial statement error.

Based on the above, we believe the impact, in terms of both audit quality and financial expense, of mandatory audit firm rotation would exceed the potential benefits. Accordingly, it is our opinion that the PCAOB should not mandate audit firm rotation.

Pages 18 and 19 of the Concept Release ask for views on the "general issues" underlying the need for mandatory audit rotation. The following are our thoughts on these issues:

Should the Board focus on enhancing auditor independence, objectivity and professional skepticism? Should the Board simply defer consideration of any proposals to enhance auditor independence, objectivity and professional skepticism?

> We believe the Board has a legitimate interest in enhancing auditor independence, objectivity and professional skepticism, and should continue to consider approaches to achieve these goals.

Would audit firm rotation enhance auditor independence, objectivity and professional skepticism?

> It is unclear to us whether rotation would significantly enhance independence, objectivity and professional skepticism. As noted above, even if independence was marginally enhanced, we believe audit quality could suffer and financial cost would increase, more than offsetting any benefit from enhanced independence.

What are the advantages and disadvantages of mandatory audit firm rotation? If there are potential disadvantages or unintended consequences, are there ways a rotation requirement could be structured to avoid or minimize them?

> We acknowledge the potential marginal enhancement in auditor independence is an advantage of mandatory audit firm rotation. The disadvantages include the potential affect on audit quality that is likely to lead to a net increase in audit deficiencies. When factoring in the increased financial expense, we believe the negative impact of mandatory rotation would exceed the benefits.

Because there appears to be little or no relevant empirical data directly on mandatory rotation available, should the Board conduct a pilot program so that mandatory rotation of registered public accounting firms could be further studied before the Board determines whether to consider developing a more permanent requirement?

> We believe a pilot program of limited scope would not result in conclusions that could be extrapolated and would raise unnecessary uncertainty. Accordingly, we view such an effort to be a waste of time and effort.

According to the 2003 GAO Report, large firms estimated that a rotation requirement would increase initial year audit costs by more than 20 percent. What effect would a rotation requirement have on audit costs? Are there other costs the Board should consider, such as the potential time and disruption impact on company financial report staff as a result of a change in auditors?

While we are unable to determine with confidence the impact on first year audit costs, we believe there are other costs the Board should consider as having a potential negative impact. Among these are the time and disruption to not only the company's financial reporting department, but also its operating divisions. Management time spent with auditors who are familiar with the company's business is generally focused on new or emerging issues. With a new auditor, however, management will have to spend significant time orienting the auditors to the fundamentals of the business.

In addition, a company's internal audit department will need to spend significant time with new auditors as they assess the quality of the internal audit department, its resources, and the extent to which it can rely on the work of the internal audit department. Additional time will be spent familiarizing the auditor with the overall internal audit approach in the company effectively limiting the amount of time available for value-added audits.

To what extent have audit committees considered implementing a policy of audit firm rotation? If audit committees have not considered implementing such a policy, why not?

While we have not considered implementing a hard and fast policy of rotation, our audit committee has considered whether we might consider interviewing alternative firms. After discussion, we concluded that we were comfortable with our current audit firm, its fees and its practices, and particularly its knowledge of our industry and our company.

Are there alternatives to mandatory rotation that the Board should consider that would meaningfully enhance auditor independence, objectivity and professional skepticism?

There are currently only four audit firms capable of servicing companies such as ours that have large-scale global operations. Given this state of the industry, competition among the four firms, on any basis, is extremely limited. We believe the Board in its search for alternatives to mandating audit firm rotation might better focus its efforts on ways to increase the level of competition among audit firms. With more alternatives available, market forces rather than regulatory mandates can make rotation more attractive. In this regard, the Board might encourage audit firms to develop specific industry or geographic practices that would bring greater efficiencies to potential clients, thereby lessening the financial disincentive to changing audit firms. Finally, the Board might consider how to make the auditing profession more attractive to young people considering career choices in an effort to change industry dynamics.

Should the Board continue to seek to address its concerns about independence, objectivity and professional skepticism through its current inspection program? Is there some enhanced or improved form of inspection that could better address the Board's concerns? If mandatory rotation were in place, would an enhanced inspection, perhaps focused particularly on professional skepticism, serve as a substitute in cases in which it would be unusually costly, disruptive or otherwise impracticable to rotate auditors?

We believe the Board should continue to address issues of independence. We would urge the Board to include in its inspections an appropriate emphasis on the level of training and education provided by the firm to its auditors focused on the importance of maintaining independence. To the extent such inspections are designed to enhance professional skepticism, we suggest this happen at both the individual audit engagement level and as a policy issue within the audit firm.

Thank you for your consideration. We hope our input on this important subject is helpful.

Very truly yours,

/s/ BRUCE MAGGIN _____________ _

Bruce Maggin
Audit Committee Chairman
PVH Corp.