



December 13, 2011

Sent via e-mail: comments@pcaobus.org

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

Members of the Board:

We appreciate the opportunity to comment on the PCAOB's Concept Release on "Auditor Independence and Audit Firm Rotation." Our comments represent Con-way Inc., a public transportation and logistics company with nearly \$5 Billion in annual revenues.

The stated goals of the PCAOB on this matter are to enhance auditor independence, objectivity and professional skepticism. While we recognize the critical importance of these goals in protecting investors, it is our belief that the central proposal of the PCAOB concept release regarding audit firm rotations is neither efficient nor effective in its pursuit of stated goals. Our fundamental problem with this proposal is that it pairs increased business disruption and increased costs with highly uncertain benefits.

Decreased Effectiveness and Efficiency

The potential disruptions to business caused by audit firm rotations would have negative consequences to both audit effectiveness and audit efficiency.

There are two primary factors that impair audit effectiveness. The first and most detrimental is the increased risk of audit failure associated with the first few years of a new audit engagement, a fact well supported in the PCAOB concept release. The other key factor is the loss of tremendous amounts of company-specific expertise built up by audit firms over long-term engagements. Not only will this knowledge vanish when firms rotate, but with mandated shorter engagements, new audit firms may never again have time to rebuild such expertise.

The impact to audit efficiency is largely caused by the learning curve in the first few years of a new audit engagement. During this period, audit firms must not only build up their knowledge of the business generally, but also of specific financial processes, IT systems, internal controls, management structure, etc. This burden is also borne by the company resources that support, and to some degree, train the audit firm about their company. This is not a trivial amount of effort and causes tremendous strain on the staff, distracting their focus from other important matters.

Increased Costs

The increased costs that will arise from audit firm rotations are largely a factor of the inefficiency of audit firms as they start-up a new audit engagement. Companies like ours will face increased audit fees and internal employee costs required to support the new audit firm.

Uncertain Benefits

The concept release provides very little evidence, from PCAOB investigations or otherwise, to substantiate the effectiveness of audit firm rotations. There is significant risk that audit firm rotations will not yield the intended benefits of enhanced auditor independence, objectivity and professional skepticism. We believe the current regulations, including mandatory audit partner rotation, are sufficient in managing the problems that audit firm rotations are targeting, and as such audit firm rotations would provide little to no benefit at all.

Ultimately, the idea of audit firm rotations lacks a compelling body of evidence to justify its significant costs and disruption. It impairs both the effectiveness and efficiency of audits, increasing risks to investors while also raising costs. As such, we strongly urge the PCAOB to reject the proposal for audit firm rotations.

Thank you for your consideration,



John C. Pope, Chairman
Audit Committee
Board of Directors
Con-way Inc.



Stephen L. Bruffett
Executive Vice President
and Chief Financial Officer
Con-way Inc.



Kevin S. Coel
Senior Vice President
and Corporate Controller
Con-way Inc.