



**Audit Committee
Time Warner Cable Inc.
60 Columbus Circle
New York, New York 10023**

Via email (comments@pcaobus.org)

December 13, 2011

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

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

Dear Mr. Seymour:

The Audit Committee of the Board of Directors of Time Warner Cable Inc. ("TWC") appreciates the opportunity to comment on the Public Company Accounting Oversight Board ("PCAOB") Concept Release on Auditor Independence and Audit Firm Rotation.

Based on our experience as members of the Audit Committee of TWC, a public company with 2010 revenues of almost \$19 billion and current market capitalization of approximately \$20 billion, we believe that the existing regulatory and corporate governance requirements provide adequate incentive to ensure that audits are conducted independently, objectively and with appropriate professional skepticism. We believe that mandatory audit firm rotation would impose excessive burdens on issuer companies, their management and their audit committees and create the risk of significantly reduced audit quality, which would significantly outweigh whatever benefits the proposal would provide.

Over the last decade, significant measures have been implemented to improve the audit process and highlight the oversight role of audit committees. Rules on auditor independence, audit partner rotation, limitations on non-audit services, second partner reviews and limitations on hiring employees of the audit firm are just a few examples of the requirements that today

drive auditor independence and objectivity. Furthermore, auditors are faced with oversight by the PCAOB, are held accountable by the audit committee, and are subject to significant civil or criminal penalties if they are found to have acted improperly. In our view, these factors, as well as the auditors' own desire to adhere to professional standards and maintain their reputation, have created an environment where auditors have significant incentives to maintain their independence and challenge management representations.

We support the PCAOB's continuing efforts to increase audit quality and understand that mandatory audit firm rotation could provide potential benefits. However, in our view, in the absence of a proven link between audit firm tenure and low-quality audits, the potential benefits of mandatory audit firm rotation need to be weighed against its significant costs and the potential for a reduction in audit quality, especially during the early years of the auditor-company relationship. Changing audit firms is never an easy process and often results in many additional hours to perform the audit (and higher audit fees), as well as the loss of productivity of company employees who must educate the new audit team members on the company's business, operations and accounting processes and procedures. The incoming auditor's lack of experience with a company's business could result in lower audit quality as new auditors may be less expert in the accounting rules applicable to its new client's industry, unique situations, judgments and processes or more prone to expend its resources in areas that are not of real significance. The absence of such institutional knowledge on the audit team would require a steep learning curve that would stress the resources of both the incoming audit firm and the company's own employees. In our view, the significant risk that audit quality would suffer greatly during the early years of the relationship and that incremental dollar and man-hour cost would be significant, outweigh the potential benefits of mandatory audit firm rotation.

We believe the mandatory auditor rotation proposal undervalues the critical role played by audit committees in ensuring independence and objectivity of an issuer's audit firm. The independent audit committee has significant and special responsibilities relating to the audit firm, its audit and its relationship to the issuer. As mandated by the securities laws and listing requirements, the audit committee, whose members must not only satisfy strict independence requirements, but also must be financially literate, is directly responsible for the appointment, compensation, retention and oversight of the work of the auditor, and the auditor reports directly to the audit committee, not to the management of the issuer. As a result of its oversight of the integrity of the issuer's financial statements, the independence, qualifications and performance of the auditor, partner rotation and its role in approving services to be performed and other compliance functions, the audit committee is exceptionally well-positioned to assess the rigor with which the audit is performed and the audit firm's independence and objectivity. We believe that the discretion to change a company's audit firm should continue to rest with the audit committee and should not be directed on an externally imposed schedule.

In addition, we believe that the mandatory auditor rotation proposal also undervalues the fiduciary responsibilities that drive directors' decisionmaking. Those fiduciary duties extend to applying appropriate discretion and business judgment in selecting and in changing the company's independent auditor. In making these and other significant decisions, it is an accepted precept of corporation law that the directors should determine what is best based on the company's unique situation and circumstances. What is correct and appropriate for one company may be incorrect and inappropriate for another. Imposing an external timetable on companies for auditor rotation would be inconsistent with appropriate exercise of the board's discretion and judgment in this area as required in this key decisionmaking process.

In addition, as members of the audit committee of a large public company, we are obviously interested in the focus and abilities of the professionals performing independent audits at our company. If mandatory auditor rotation were adopted, we are concerned that the concomitant disruption to career paths, expertise accumulation and geographic relocations, could adversely impact the quality of talent that is currently attracted to the auditing profession. In addition, mandatory rotation would cause all public companies to seek proposals from and evaluate new auditors on a regular basis. Not only would this process refocus management and audit committee time, it would require the auditors to devote more time to preparing these proposals and meeting with prospective clients. The time and effort spent by auditing firms on these endeavors would place additional stress on the attention needed for performing the audits of their existing clients, and could ultimately adversely impact the quality of those audits.

In conclusion, we believe that a company's board and audit committee are best positioned to manage the auditor-company relationship, including ensuring that the auditor is acting independently and with the appropriate degree of professional skepticism. Audit committee members are tasked with overseeing the financial reporting and audit processes, including the selection and oversight of the independent auditor, and in doing so they must exercise their judgment to act in the best interests of the corporation and its shareholders. As long as audit committees are provided with the appropriate level of authority to carry out that mandate, they should continue to have the responsibility for determining whether and when an audit firm should be replaced.

Office of the Secretary
Public Company Accounting Oversight Board
Page 4

For the reasons outlined above, as Chair and on behalf of the TWC Audit Committee, I respectfully submit that mandatory audit firm rotation is not in the best interest of a company's stockholders and other stakeholders and should not be implemented.

Sincerely,

Audit Committee of the
Time Warner Cable Inc. Board of Directors

By:  _____
James E. Copeland, Jr., Chair

cc: Time Warner Cable Inc.
Time Warner Cable Inc. Audit Committee
David C. Chang
Donna A. James
Edward D. Shirley