

NORDSTROM

December 12, 2011

VIA UPS AND EMAIL: comments@pcaobus.org

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

Re: PCAOB Rulemaking Docket Matter No. 37

To Whom It May Concern:

On behalf of Nordstrom, Inc. (“Nordstrom” or “the Company”), as Chair of its Audit Committee, I would like to express our appreciation for the opportunity to comment on your consideration of mandatory rotation of audit firms as discussed in PCAOB Release No. 2011-006, *Concept Release on Auditor Independence and Audit Firm Rotation*.

I understand the importance of auditor independence, objectivity and professional skepticism, and am supportive of the PCAOB’s goals of continuously increasing audit quality and protecting investors and the public interest. However, I do not believe that mandatory audit rotations would be effective in accomplishing these goals, as any perceived benefits will be outweighed by the costs. Additionally, I am concerned that mandatory audit firm rotations may actually result in a decline in audit quality and diminish the benefits of the audit committee’s role in engagement oversight. For your convenience I have expanded upon each of these reasons below.

COSTS AND BENEFIT

Costs

There would be a substantial investment of time, money and commitment of personnel, management, auditors and the audit committee to effectively implement a rotation requirement.

Cost of selection: The Company would need to invest substantial time, effort and resources in preparing proposal requests and reviewing, interviewing, evaluating and selecting a new firm. Additional effort would be required if the Company utilized other audit firms for non-audit services, and mandatory rotation would impact those engagements.

Time: Once a new firm is selected, the Company would require additional time to coordinate the exchange of information between the predecessor auditors, Nordstrom and the successor auditors. In addition, the learning curve of the new audit firm will place a significant constraint on the Company’s internal resources (including corporate accounting, tax, financial reporting, internal audit, senior management and the audit committee).

Increase in audit costs: Frequently changing auditors will result in an increase in start-up costs (additional audit time and fees to familiarize a new audit firm with the Company's business) and overlapping costs billed by both the predecessor and successor auditors during each transition.

Audit efficiency: The amount of time allocated to gain an understanding of the Company's business by the new audit firm will take away from time that should be spent focusing on and addressing Nordstrom's significant business issues.

Opportunity cost of time: The additional time and effort spent on the rotation requirement will divert the Company's management from its primary responsibility of running the business.

Perceived benefits

There is currently no evidence of a link between audit firm tenure and audit failures nor evidence that a mandatory audit firm rotation would improve the quality of an audit or enhance auditor independence, objectivity and professional skepticism. Although the requirement of a mandatory firm rotation would provide a fresh perspective by the new audit firm and lessen the threat of familiarity, I believe that the costs of mandatory firm rotations would outweigh any potential perceived benefits.

FIRM/INDUSTRY KNOWLEDGE AND AUDIT QUALITY

Given today's increasingly complex business, regulatory and accounting environment, the investors and users of the financial statements are best served by allowing the company to select and retain the audit firm with the most company and industry knowledge.

Currently, auditors obtain in-depth knowledge of companies and their industries during the course of their engagements, and invest significant resources to obtain and maintain industry and sector expertise. Mandatory rotation may discourage specialization in these industries, to the detriment of audit quality. Because not all firms have the same industry experience, especially within a given market, requiring rotation may result in a loss of knowledge and understanding of a company, which could eliminate efficiencies developed over time. As Nordstrom operates in multiple retail channels and maintains its own credit operations, it is important that the Company retains an audit firm that has expertise in both the retail and credit card businesses.

AUDIT COMMITTEE ROLE

A mandatory audit firm rotation model would not only give rise to considerable costs and repeated disruptions and impair audit quality, but it would also undermine the audit committee's oversight authority.

Like other audit committees, we are charged with reviewing and appraising the qualifications, independence and performance of the Company's independent auditors. The audit committee has the authority to determine whether and when a change in auditor would be in the best interests of shareholders. I believe that the audit committee is in the best position to make this judgment because of our independence, financial expertise and awareness of the audit needs of the Company. We work closely with the audit firm and can evaluate its quality, as well as the firm's application of independence, objectivity and professional skepticism.

Any requirement to adopt mandatory rotation would take away discretion from the audit committee to do what is in the best interest of the Company and its shareholders. Additionally, mandatory firm rotation would significantly limit the audit committee's control over the quality, efficiency and cost of the audit. Ultimately, I believe that the audit committee remains the most qualified to evaluate the selection of the

Company's independent auditor, and mandatory rotation could result in choosing a less qualified auditor with inadequate institutional knowledge and industry expertise.

In summary, the costs of a mandatory audit rotation would far outweigh any perceived benefits in increasing auditor independence, objectivity and professional skepticism and may actually result in a decline in audit quality and diminish the benefits of the audit committee's oversight role.

Thank you for the opportunity to comment on this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Phyllis J. Campbell", written in a cursive style.

Phyllis J. Campbell
Chair of the Nordstrom Audit Committee