Harsco Corporation
350 Poplar Church Road
Camp Hill, PA 17011 USA
Phone 717.763.7064
Fax 717 763 6424
Web www.harsco.com

HARSCO

December 13, 2011

Office of the Secretary
Public Company Accounting Oversight Board
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

To Whom It May Concern:

The management of Harsco Corporation ("Harsco") appreciates the opportunity to comment on the Public Company Accounting Oversight Board ("PCAOB") Concept Release on Auditor Independence and Audit Firm Rotation ("Concept Release"). Harsco is supportive of efforts aimed to enhance auditor independence, objectivity and professional skepticism. However, Harsco does not believe that mandatory audit firm rotation would result in enhancement to any of the aforementioned areas. We submit the following comments for your review and consideration.

Public accounting firms are legal entities. It is the individuals and professionals comprising those firms that provide the actual audit services to clients and whose objectivity and professional skepticism are relied upon by the public. The Security and Exchange Commission's Rules on Strengthening the Commission's Requirements Regarding Auditor Independence (Release No. 33-8183, January 28, 2003) requires the lead and concurring partners to rotate every five years. The remainder of an audit engagement team rotates naturally through professional development opportunities provided by firms and attrition.

It is our belief that the Concept Release could actually result in decreased audit quality. In the beginning of a new auditor's appointment, the necessary understanding of a client's business will not be sufficiently developed. Toward the end of an auditor's tenure with a client, they may be less focused on existing clients and more focused on attaining new clients. The net impact would result in no improvement to audit quality while companies would incur "significant cost and disruption" as noted in the Concept Release.

Additionally, Section 301 of the Sarbanes-Oxley Act of 2002 indicates that the audit committee of the board of directors is responsible for the appointment, compensation and oversight of the work of auditors. It is our belief that this provision results in the audit committee's responsibility to ensure auditor independence, objectivity and professional skepticism. Until it can be demonstrated that such audit committee oversight is not operating effectively, we do not believe there is incremental benefit in mandatory audit firm rotation.
Finally, there are other existing rules and practices in place to help ensure the objectives of the Concept Release are achieved. These include PCAOB inspection and oversight activities, firm

peer reviews, and internal firm quality control reviews. These mechanisms review actual audit work and are better suited to detect issues than the suggestion of mandatory audit firm rotation outlined in the Concept Release.

In conclusion, we are supportive of any standard that enhances auditor independence, objectivity and professional skepticism. However, it is our belief that the ideas presented in the Concept Release would not result in such enhancements. We thank you for the opportunity to comment on this Concept Release.

Sincerely,

Stephen J. Schnoor
Senior Vice President, Chief
Financial Officer, &
Treasurer

Barry E. Malamud
Vice President & Corporate
Controller