Coca-Cola Enterprises, Inc.

2500 Windy Ridge Parkway
Atlanta GA 30339

April 13, 2012

Via email to: **comments@pcaobus.org**

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, NW
Washington, DC 20006

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

Coca-Cola Enterprises, Inc. (CCE, the Company, we, our, or us) appreciates the opportunity to respond to the Public Company Accounting Oversight Board (PCAOB) regarding the August 16, 2011 concept release on mandatory rotation of audit firms and other ways that auditor independence, objectivity, and professional skepticism can be enhanced.

With over $8 billion in revenues in 2011, CCE is the leading Western European marketer, distributor, and producer of bottle and can nonalcoholic beverages and one of the largest independent Coca-Cola bottlers. CCE is the sole licensed bottler for products of The Coca-Cola Company in Belgium, continental France, Great Britain, Luxembourg, Monaco, the Netherlands, Norway, and Sweden. CCE is a public company and is registered with the New York Stock Exchange.

While we support the PCAOB's efforts to improve audit quality, we are not in favor of mandatory audit firm rotation. Our primary reasons for our objection to audit firm rotation, which are consistent with comments previously provided by the large majority of respondents to this concept release, are as follows:

- *Audit Efficiency* – The process of selecting and changing audit firms is extremely disruptive. We are a multi-national organization that requires the use of audit services throughout our territories. These services are provided in a number of countries each with different local accounting and reporting requirements in addition to the requirements of U.S. GAAP. It would take a significant amount of time, effort and company resources to acquaint a new auditor with our systems, processes, business, risks, personnel, and other company-specific complexities. In 2010, we completed a transaction with The Coca-Cola Company in which we sold our North American bottling operations. Our ability to complete this transaction in a timely and efficient manner would have been significantly negatively impacted if we were in a period of auditor transition.

- *Audit Costs* – Not only would selecting and changing audit firms lead to inefficiency, it would also prove costly. The obvious costs to changing audit firms are the incremental fees that would relate to a new auditor learning our organization and then gradually becoming more efficient and effective. In addition to these direct costs, we would also have to consider the substantial indirect costs of our internal personnel's time as we educate a new auditor on our processes and procedures.

- *Audit Quality* – There does not appear to be definitive evidence that mandatory audit rotation would improve audit quality. In fact, we believe that the quality of our audit increases over time with the use of a continuous auditor. The auditor is able to learn our business in more depth, and is therefore able to become more detailed and investigative. Furthermore, we operate in multiple countries, requiring our audit to be coordinated among the various offices of our audit firm. There is no guarantee that we could replicate this representation in each place that we do business, as audit firms have varying levels of resources across the globe. The need for a new auditor to establish this presence could further diminish the efficiency and, more importantly the quality, of the audit.

- *Role of our Audit Committee* – Independent Audit Committees like ours have the primary responsibility for hiring, evaluating, and terminating the external auditor, as well as overseeing the quality of their work. Our Audit Committee takes this responsibility very seriously, and evaluates the performance of our auditors on a continuous basis to ensure that we are receiving an independent, high-quality audit. Mandatory audit firm rotation would reduce the Audit Committee's oversight role in an area that they are best positioned to govern.

Instead of requiring audit firm rotation, we support other measures that have been instituted over time that have led to increased audit quality. These include the current standards regarding mandatory partner rotation, the independent partner review process, the peer reviews conducted within the audit profession, and the PCAOB's inspection system. Furthermore, the rules on auditor independence are clear and robust, providing "bright line" rules that independent auditors must follow. Continuing the trend of ensuring that auditors are individually trained on the concepts of integrity, independence, and professional skepticism would be more effective in our opinion than mandatory rotation. Internally, as noted previously, we have also relied on a strong Audit Committee to ensure that our audits are being conducted with integrity, objectivity, and professional skepticism. We believe our Audit Committee is in the best position to appoint and retain an audit firm that best meets the needs of our Company and our shareowners.

Thank you for your consideration of our comments on these matters. If you have any questions, comments, or would like further information regarding this submission, please contact Sue Patterson at 678-260-3069.

Sincerely,

William W. Douglas III
Executive Vice President and Chief Financial Officer
Coca-Cola Enterprises, Inc

Suzanne D. Patterson
Vice President, Controller, and Chief Accounting Officer
Coca-Cola Enterprises, Inc.