August 18, 2017

Mr. Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Public Company Accounting Oversight Board: Notice of Filing of Proposed Rules on the Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion, and Departures from Unqualified Opinions and Other Reporting Circumstances, and Related Amendments to Auditing Standards (Release No. 34-81187; File Number PCAOB-2017-01)

Dear Mr. Fields:

The undersigned associations and businesses represent every sector of the economy and employ millions of workers. We believe that management's responsibility for accurate and transparent financial reporting is essential for the efficient capital markets needed to fuel economic growth. We believe, however, that the Public Company Accounting Oversight Board ("PCAOB") Proposed Auditing Standard on *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion and Related Amendments to PCAOB Standards* (the "Proposed Standard"), filed with the Securities and Exchange Commission ("SEC" or "Commission") on July 19, 2017, should not be finalized in its current form as it sets problematic standards for materiality and will be detrimental to public companies.

We support efforts to provide useful information to the users of financial statements, as it enhances the trust and confidence in the financial markets that rely upon them. However, we have serious concerns that the requirements for Critical Audit Matters ("CAM" or "CAMs") will result in the disclosure of immaterial information, replace management as the source of original information, create a chilling effect on the audit committee-auditor relationship, create liability for businesses and auditors, and impose additional expenses on firms. In its current form, the Proposed Standard will make audited financial statements a less effective means of disclosure, making the investment decision making process less efficient and leading to significant negative consequences for public companies. The Proposed Standard also runs counter to efforts by the SEC to promote disclosure effectiveness.

The Proposed Standard would impose a new requirement for the auditor's report to include CAMs. The PCAOB defines CAMs as matters communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involve especially challenging, subjective, or complex auditor judgment. The auditor's report would be required to identify the CAMs, describe the principal considerations that led the auditor to determine that the matter is a CAM, describe how the CAM was addressed in the audit, and refer to the relevant financial statement accounts or disclosures.

The definition of CAMs extends to matters that relate to accounts or disclosures that are material to the financial statements, even if the matters themselves are not material. The definition also encompasses matters that the auditor has communicated to the audit committee even if the auditor was not required to communicate those matters. Under the Proposed Standard, auditors may be required to disclose a broad range of immaterial information that public companies may not be required to disclose.

Customarily, the duty for making public company disclosures is the responsibility of the company's management. The auditor ensures that the disclosures by management comply with applicable reporting standards. The Proposed Standard would make auditors a source of original information. This shift is a fundamental re-ordering of financial reporting responsibilities.

The broad definition of CAMs may stifle the current open dialogue between auditors and audit committees. Under the Proposed Standard, auditors may have to stop before every communication to consider the potential CAMs implications of such communication. Every potential communication will be evaluated for CAM obligations. This process could result in situations where less, rather than more, communication occurs between auditors and audit committees. This will significantly slow the audit process and drive up costs for public companies.

In making a determination to approve the Proposed Standard, the SEC must consider whether it will promote efficiency, competition, and capital formation. As held by the D.C. Circuit Court of Appeals in several cases, this means that the SEC must conduct a robust cost-benefit analysis subject to public commentary. In light of the concerns identified above, we believe the costs of the rule likely outweigh the benefits.

We strongly recommend that the SEC not approve the Proposed Standard in its current form and remand this matter back to the PCAOB for further deliberation to address our concerns. Thank you for your consideration and we are available to discuss them in greater detail.

Sincerely,

American Tower Corporation
Ameriprise Financial, Inc.
Chevron Corporation
Cloud Peak Energy Inc.
FedEx Corporation
Freeport-McMoRan Inc.
Halliburton
Intercontinental Exchange
Mohawk Industries, Inc.
Nasdaq
NIKE, Inc.
Rackspace, Inc.
Tandy Leather Factory
UnitedHealth Group
United Parcel Service, Inc.
American Insurance Association
Biotechnology Innovation Organization
Equity Dealers of America
Financial Services Roundtable
Institute of International Bankers
National Association of Real Estate Investment Trusts
National Black Chamber of Commerce
National Investor Relations Institute
Property Casualty Insurers Association of America
Retail Industry Leaders Association
Securities Industry and Financial Markets Association
The Clearing House Association
U.S. Chamber of Commerce