



February 15, 2011

EXECUTIVE DIRECTOR

Cynthia M. Fornelli

GOVERNING BOARD

Chairman

James S. Turley, Chairman and CEO
Ernst & Young LLP

Vice Chair

Michele J. Hooper, President and CEO
The Directors' Council

Vice Chair

Barry C. Melancon, President and CEO
AICPA

Charles M. Allen, CEO
Crowe Horwath LLP

Stephen Chipman, CEO and Executive Partner
Grant Thornton LLP

Harvey J. Goldschmid, Dwight Professor of Law
Columbia University

Robert E. Moritz, Chairman and Senior Partner
PricewaterhouseCoopers LLP

Lynn S. Paine, Professor of Business
Administration and Senior Associate Dean,
Director of Faculty Development
Harvard Business School

Barry Salzberg, CEO
Deloitte LLP

Dave Scudder, Managing Partner
McGladrey & Pullen, LLP

John B. Veihmeyer, U.S. Chairman and CEO
KPMG LLP

Jack Weisbaum, CEO
BDO USA, LLP

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, NW
Washington, D.C. 20006-2803

Re: Request for Public Comment: Proposed Funding Rule Amendments for Allocating the Board's Accounting Support Fee Among Issuers, Brokers, and Dealers, PCAOB Rulemaking Docket Matter No. 33

Dear Office of the Secretary:

The Center for Audit Quality (CAQ) is an autonomous public policy organization dedicated to enhancing investor confidence and public trust in the global capital markets. The CAQ fosters high quality performance by public company auditors, convenes and collaborates with other stakeholders to advance the discussion of critical issues requiring action and intervention, and advocates policies and standards that promote public company auditors' objectivity, effectiveness and responsiveness to dynamic market conditions. Based in Washington, D.C., the CAQ is affiliated with the American Institute of Certified Public Accountants (AICPA). The CAQ appreciates the opportunity to respond to the Public Company Accounting Oversight Board (PCAOB or the Board) on its *Proposal for Allocation of the Board's Accounting Support Fee Among Issuers, Brokers, and Dealers, and Other Amendments to the Board's Funding Rules* (proposed rules). Our comments herein are solely focused on a proposed amendment to the Board's current Rule 7103, *Collection of Accounting Support Fees*. This letter represents the observations of the CAQ, but not necessarily the views of any specific firm, individual or CAQ Governing Board member.

Under the Board's current Rule 7103(b)(2), "[t]he issuer shall submit to the Board a notice of the signing of the opinion or issuance of the consent not later than the next business day after the filing is made with the [U.S. Securities and Exchange] Commission" (the Commission) when the issuer is delinquent on its share of the accounting support fee. The Board is proposing an amendment to this rule, under proposed Rule 7104(b)(2), by requiring that the notice be filed by the registered public accounting firm *instead* of the issuer. However, there is not a clear understanding as to the rationale for the change in this reporting requirement. We believe this requirement should not be amended and that it remain a requirement of the issuer for the following reasons: 1) it is the issuer that is delinquent with its share of the accounting support fee; 2) it is the issuer that is filing its documents with the Commission; and 3) a process has already been established with issuers under the existing rule. If the Board determines that this requirement should be amended as proposed, we ask that the Board explain its rationale for the change in requirements relative to notifying the Board when an issuer, broker or dealer is

delinquent on its share of the accounting support fee and an audit opinion or consent has been included in a filing to the Commission.

The CAQ appreciates the opportunity to comment on the proposed rule and would welcome the opportunity to respond to any questions you may have regarding the comments included in this letter.

Sincerely,



Cynthia M. Fornelli
Executive Director
Center for Audit Quality

cc: PCAOB

James R. Doty, Chairman
Lewis H. Ferguson, Member
Daniel L. Goelzer, Member
Jay D. Hanson, Member
Steven B. Harris, Member
George Diacont, Director, Division of Registration and Inspections

SEC

Chairman Mary L. Schapiro
Commissioner Luis A. Aguilar
Commissioner Kathleen L. Casey
Commissioner Troy A. Paredes
Commissioner Elisse B. Walter
James L. Kroeker, Chief Accountant
Brian T. Croteau, Deputy Chief Accountant