



CENTER FOR CAPITAL MARKETS  

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C O M P E T I T I V E N E S S

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May 10, 2013

Mr. Martin F. Baumann  
Chief Auditor and Director of Professional Standards  
Public Company Accounting Oversight Board  
1666 K Street, NW  
Washington, DC 20006-2803

Dear Mr. Baumann:

The U.S. Chamber of Commerce (the “Chamber”) is the world’s largest federation of businesses and associations, representing the interests of more than three million U.S. businesses and professional organizations of every size and in every economic sector. These members are both users and preparers of financial information. The Chamber created the Center for Capital Markets Competitiveness (the “CCMC”) to promote a modern and effective regulatory structure for capital markets to fully function in a 21st century economy. The CCMC believes that businesses need systems of strong internal controls and recognizes the vital role external audits play in capital formation. To achieve these goals, the CCMC believes it is important for standard setters to have informed commentary and dialogue with a broad and diverse group of stakeholders.

We have noted with interest, in the announcement of the Standing Advisory Group (“SAG”) agenda for the May 15 and 16th meetings, that potential enhancements to the Public Company Accounting Oversight Board’s (“PCAOB”) outreach to and interaction with members of audit committees will be discussed. This is an important enhancement that should be discussed and vetted as many important issues are debated in the realm of financial reporting.

We would also like to take this opportunity and remind the PCAOB of a proposal made last year by the Financial Instruments Reporting Convergence Alliance (“FIRCA”) for the Board to create a Business Advisory Group. The February 23, 2012 FIRCA letter to Chairman Doty is attached and we would hope that these documents are shared with the SAG members in advance of the May 15 and 16th

Mr. Martin F. Bauman

May 9, 2013

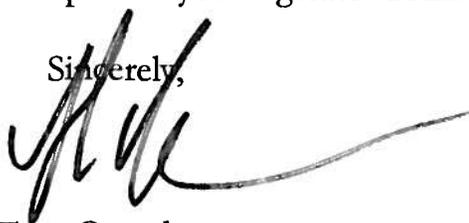
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meetings. FIRCA and the Chamber believe that the objectives the PCAOB seeks to achieve in facilitating a greater dialogue can be achieved through the Business Advisory Group.

A Business Advisory Group would provide the PCAOB another means of input and a broader understanding of issues that need to be addressed in the development of standards and other means of resolving important issues related to audited financial statements. This dialogue could help the PCAOB better appreciate business operations and the unintended consequences that may impact businesses through the development and implementation of accounting and auditing standards. The avoidance of adverse outcomes for businesses is critical to protect the investors who invest in them.

Thank you for the consideration of this proposal in the SAG discussions next week and we hope you share the attached FIRCA letter with the SAG members. I am of course available to discuss this concept with you in greater detail if you wish.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tom Quadman', with a long horizontal flourish extending to the right.

Tom Quadman

Enclosure