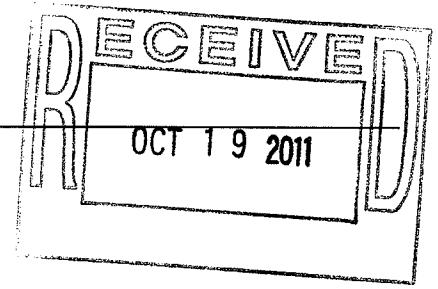


KAMAN



October 13, 2011

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

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

Dear Board Members:

Kaman Corporation appreciates having been given the opportunity to comment upon the Concept Release regarding Auditor Independence and Audit Firm Rotation (the "Concept Release") issued by the Public Company Accounting Oversight Board ("PCAOB") in August. We share the PCAOB's interest in ensuring the continuing high quality and reliability of audits conducted by independent certified public accountants.

We read with great interest the Concept Release noting the various arguments included therein both for and against mandatory periodic rotation of auditors. After giving consideration to all these points and others raised in discussions held among Kaman Corporation directors, officers and employees, we find ourselves opposed to mandatory auditor rotation because we believe such a requirement would (a) significantly increase the cost of our audit and tax services, (b) unnecessarily disrupt business activities and distract senior management, and (c) increase the risk of failed audits, particularly in the early years of the auditors' relationship with the client.

In our view, mandatory auditor rotation is clearly not the most efficient or effective way to enhance auditor independence and audit quality. We are not aware of there being a pattern of evidence supported by reliable analysis indicating extended relationships between companies and their audit firms (and not issues relating to the competence of individual auditors, the design of audit procedures, or the execution of required tasks) consistently lead to audit failures. Further, history does not seem to suggest there has been a clear correlation between mandatory auditor rotations and a reduction in the number of failed audits in countries that have adopted, and in some cases eliminated, mandatory auditor rotation policies. Unless a clear link can be established between mandatory firm rotation and the prevention of audit failures we sincerely recommend you explore other alternatives.

We are in wholehearted agreement with the Cohen Commission's 1978 assertion that "[m]any of the asserted advantages of rotation can be achieved if the public accounting firm systematically rotates the personnel assigned to the engagement," and believe the PCAOB ought to consider making existing audit team member rotation rules more stringent as an alternative to mandating periodic auditor changes. We believe audits are far more likely to be compromised because of a relationship between individuals involved in the audit and members of the company's management team than by the relationship between the firm as an entity and the corporation.

The charter of the Audit Committee of the Kaman Corporation Board of Directors indicates it is the responsibility of the Audit Committee to continually monitor the relationship between the company and its auditors and to take action as required to ensure the continuing independence of the auditors. If evidence suggests audit committees are not effectively addressing auditor independence, then perhaps the PCAOB should explore possible changes in that arena that would address identified shortcomings.

Our belief that a mandatory rotation requirement would substantially increase the cost of audit services is a major factor in our deciding to oppose the concept. We were not surprised to read a 2003 GAO report said large firms estimated that first year audit costs would increase 20% as a result of orientation effort. However, incremental costs include not only higher audit fees but also the impact of the disruption and distractions auditor changes create for management and finance personnel. We believe costs will increase for all of the following reasons:

- Audit personnel, both at corporate headquarters and in remote locations, would have to be oriented to the company's facilities both domestically and abroad, contact personnel, history, accounting systems and records, internal control systems and procedures, and accounting methodologies.
- In addition, the new auditors would have to develop (perhaps in part by reviewing and obtaining copies of the prior auditors' audit documentation) a complete understanding of historically significant events, including:
 - Acquisitions
 - Strategic transactions and undertakings
 - Loss exposures
 - Debt arrangements
 - Equity offerings
- Additional effort would have to be expended in coordinating the form, content and timing of information exchanges between the company and its auditors.
- Additional effort would have to be expended in coordinating the activities of the company's internal audit staff in support of the independent auditors' objectives.

- First (and possibly second) year audit engagements are inherently less efficient than recurring engagements.
- The coordination of information exchanges between auditors and professionals that provide audit support (actuaries, attorneys, information services, banks, lenders, etc.) would be less efficient for all involved.
- Firms would spend more of their resources competing for engagements and pursuing potential clients if the largest companies changed auditors more frequently than they now do. These costs would be passed along to clients.
- Substantial senior management time (on both sides) would be devoted to revisiting significant accounting decisions made in prior years.
- Appropriate industry expertise may not be available locally, requiring the auditor to either relocate personnel or incur incremental travel expenses to complete the audit.
- Similarly, the alternative firm may not have offices in all the locations from which the company operates, and therefore additional travel-related costs might be incurred.

The company will incur additional internal administrative costs associated with the selection of a replacement auditor, and these costs are not insignificant. Senior Management and Audit Committee time must be spent preparing invitations for bids, providing background information to bidders, evaluating responses, interviewing candidates and ultimately selecting a successor auditor.

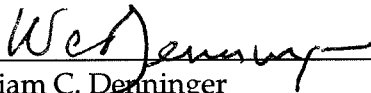
Further, we use the same firm for both audit and tax services. A mandatory rotation requirement would indirectly increase the cost of tax compliance as well, either because the audit team would not be working in tandem with the tax service team, or because we would have to change tax professionals each time we changed auditors.

Many of the above listed cost considerations also give us reason to believe audit quality in the first year will likely suffer. We believe, as do many who have written on the topic, that there is a higher risk of audit error in a first year engagement due to the unfamiliarity of audit staff personnel with the balance sheet, the business and the critical audit issues, as well as a reduced likelihood of the audit uncovering intentional management fraud. This impact can be compounded when the company operates in one or more of the various specialized industries where one firm is acknowledged to have greater industry expertise in a particular geographic area. Ironically, a mandatory firm rotation policy has the potential to create a situation where the firm best suited to serve the interests of the stakeholders may be precluded from doing so.

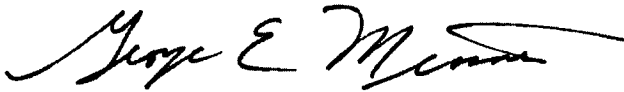
Furthermore, we believe firms will be less concerned with the quality of client service as they approach the end of their tenure as auditors, which could lead to inefficiencies, delays and missed deadlines, all of which translate into higher costs.

Finally, in the case of the largest engagements we might see a high volume of audit staff turnover (probably at higher compensation levels) as firms competing to be selected as the successor auditor try to enhance their chances of winning such engagements by hiring key members of the departing audit team. While this might reduce the risk of audit failure to some degree and reduce transition inefficiencies, it has the potential to negatively impact auditor independence and increase compensation costs for the audit firms.

We appreciate your having given us the opportunity to express our views.



William C. Denninger
Senior Vice President and
Chief Financial Officer



George E. Minnich
Chairman, Audit Committee of the
Board of Directors