

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street NW
Washington DC 20006-2803

December 12, 2011

Subject: The Public Company Accounting Oversight Board ("PCAOB") Rulemaking Docket Matter No. 37:
Concept Release on Auditor Independence and Audit Firm Rotation

To Whom It May Concern:

We thank you for the opportunity to provide feedback on PCAOB Rulemaking Docket Matter No. 37 - Concept Release regarding Auditor Independence and Audit Firm Rotation. Although we support the continued efforts of the PCAOB to bolster auditor independence, objectivity and professional skepticism as part of the audit process, we do not support the proposal for mandatory audit firm rotation. We believe the costs of implementing this action far outweigh the benefits for companies such as DigitalGlobe for the following reasons:

- Existing rules governing audit partner rotation are already in place to ensure the auditor relationship is refreshed periodically and ensure audit professionals are independent; we rotated our audit partner on January 1st of this year, and have noticed a very strong emphasis on a "fresh look" and objectivity regarding our critical accounting policies.
- Audit work is not performed by firms but rather by people within those firms. In our experience, the working-level audit staff members on our account change frequently. This effectively guarantees a fresh perspective through staff rotation without the burden of changing the overall audit firm.
- Professional skepticism is best employed by auditors knowledgeable of the subject matters upon which they are required to opine. That knowledge and expertise comes with time and experience, especially when dealing with complex technical accounting issues and unique customer relationships. Mandatory rotation of auditors, with the corresponding loss of company-specific knowledge, is not a way to improve professional skepticism.
- The potential legal / financial consequences to corporate boards and company management for inaccurate financial statements create strong incentives to ensure audit firms maintain their independence. For example, Sarbanes-Oxley empowers audit committees to independently appoint and oversee audit firms that best meet the needs of shareholder interests. To that end, our audit committee provides vigorous oversight of our accounting policies and disclosures, and also of our audit firm to insure that they are working effectively to perform their role as an independent auditor. To some extent, mandatory rotation

would limit the ability of our audit committee to best meet shareholder needs by taking some of the authority from our audit committee to provide its oversight function.

- Audit costs would rise significantly as the new audit firm bills additional time for new audit staff to gain first-time knowledge of our processes, not to mention the increased “soft” costs due to lost productivity for our internal accounting personnel to explain and resolve issues with the new audit staff. As a small company, these soft costs are especially difficult to manage since we cannot afford to increase headcount commensurate with the added inefficiency from this mandate.
- The audit firm proposal process is time consuming and wastes valuable accounting staff resources on the audit firm procurement effort. We prefer our accounting personnel spend their time on ensuring the accuracy of our financial records, not on periodic procurement efforts, audit firm interviews, new auditor education, and other non-value added activities.
- Existing PCAOB processes to “audit the auditors” currently provide audit firms the justification they need to maintain their professional skepticism in conducting audit services. Furthermore, Certified Public Accountants are already required to follow a code of conduct to perform an audit in compliance with independence, objectivity and professional skepticism standards as defined by the AICPA.

For these reasons, DigitalGlobe urges you to withdraw this proposal to require mandatory rotation of audit firms. Thank you for considering our views. We would be pleased to discuss our comments with the PCAOB at your convenience.

Regards,



Yancey Spruill
Executive Vice President and Chief Financial Officer