



ENTERPRISE PRODUCTS PARTNERS LP
ENTERPRISE PRODUCTS OPERATING LLC

ENTERPRISE PRODUCTS GP, LLC, GENERAL PARTNER
ENTERPRISE PRODUCTS OLPGP, INC., GENERAL PARTNER

December 9, 2011

Mr. J. Gordon Seymour
Secretary
Public Company Accounting Oversight Board
1666 K Street, NW
Washington, DC 20006-2803

Re: Request for Public Comment on Concept Release on Auditor Independence and Audit Firm Rotation and Notice of Roundtable (PCAOB Release No. 2011-006, August 16 2011, PCAOB Rulemaking Docket Matter No. 37)

Dear Mr. Seymour:

Enterprise Products Partners L.P. is the largest publicly traded partnership and a leading North American provider of midstream energy services to producers and consumers of natural gas, NGLs, crude oil, refined products and petrochemicals. Enterprise's assets include approximately: 50,000 miles of onshore and offshore pipelines; 192 million barrels of storage capacity for NGLs, refined products and crude oil; and 27 billion cubic feet of natural gas storage capacity. Services include: natural gas transportation, gathering, processing and storage; NGL fractionation, transportation, storage, and import and export terminaling; crude oil and refined products storage, transportation and terminaling; offshore production platforms; petrochemical transportation and storage; and a marine transportation business that operates primarily on the United States inland and Intracoastal Waterway systems and in the Gulf of Mexico.

We are writing in connection with the PCAOB request for comments on mandatory audit firm rotation. Although we strongly support the continued efforts by the PCAOB to enhance auditor independence, objectivity and professional skepticism, we do not support the concept of mandatory audit firm rotation as a means of accomplishing these objectives. We believe audit quality would suffer and the additional administrative costs would far outweigh potential benefits.

We believe that mandatory audit firm rotation would make it more difficult for audit firms to build expertise in specialized areas of accounting and financial reporting such as our integrated midstream energy services business. Auditors who are new to a public company client and have limited expertise and understanding of the client's industry, operations, business processes, internal controls, and historical accounting practices are handicapped in appropriately evaluating the reasonableness of judgments made by management in applying accounting principles to complex business transactions. As a result, we believe that the level of risk from a new auditors' lack of foundational knowledge that is essential in applying professional skepticism will be increased significantly thereby negatively impacting audit quality to the detriment of the public client and its investors.

The Concepts Release suggests that under mandatory rotation, auditors would be especially diligent toward the end of their tenure due to their audit work being scrutinized by a successor auditor. We suggest that the opposite outcome may occur. Toward the end of their tenure, auditors may focus their attention on selling future audit services to current non-audit clients. There may be an increased focus on selling services to future clients, rather than on current audit clients. We suggest that rotating auditors would not provide a "fresh viewpoint" to the audit of a new public company client. It is doubtful that a company and its investors would experience a significant difference in audit objectivity, technique, diligence, insight or quality. In addition, the loss of continuity and steep learning curve make it unlikely that another audit firm would provide any new insight in the initial years after rotation. There is no substitute for the institutional experience that accumulates with an audit firm over time and the benefit of this accumulated experience would be lost under mandatory auditor rotation.

A requirement for mandatory auditor rotation would be very costly and disruptive, with increased costs ultimately borne by public investors. Mandatory rotation would be operationally inefficient for management since new auditors would have to be educated regarding the company's accounting, financial and internal control processes as well as its business activities and industry. Some continuity and efficiency is already lost when a lead engagement partner leaves an audit client under the SEC's current 5-year rotation requirement, and we believe that the rotation of the lead audit partner currently accomplishes the concept of having a "fresh viewpoint" with new insight and professional skepticism. In fact, we have experienced this during recent annual audits with a new lead partner being assigned to our audit engagement following the mandatory rotation of our previous lead audit partner.

We believe that mandatory auditor rotation will limit the audit committee's ability to exercise its fiduciary responsibility in providing oversight of the company's internal controls and financial reporting processes. The current independent audit committee role and authority created by the Sarbanes-Oxley Act would be undermined in evaluating the performance and independence of the auditor as well as in annual appointments of the independent auditor.

The PCAOB acknowledges that root causes of audit failures are complex, and the Board's own data shows no correlation between audit tenure and PCAOB review deficiencies. The AICPA opposed auditor rotation in a recent letter to the European commission regarding "The Green Paper", and as noted in the Concepts Release, the views of several former SEC chairs are clearly divided on the subject. The 2003 GAO Study found no evidence that rotation would improve audit quality while the 2005 International Chamber of Commerce study concluded rotation would actually have adverse effects on quality. In addition, the 2010 COSO study found companies issuing fraudulent financial statements were twice as likely to have switched auditors between the last clean opinion and the occurrence of fraud.

In summary, we do not believe that the recent financial crisis would have been averted under a system of mandatory auditor rotation as implied by the Concepts Release. Given the fact that several studies have shown that audit quality declines in the years immediately following a change in auditors, the financial crisis might have been exacerbated under a program of mandatory auditor rotation. We believe that a required rotation of auditors will lead to significant administrative disruption and increased costs to public investors. Removing responsibility for auditor selection from audit committees is contrary to the fiduciary duties assigned under the Sarbanes-Oxley Act and would weaken an element of corporate governance. We see no evidence supporting the contention that mandatory auditor rotation will lead to either enhanced auditor independence or increased audit quality and could diminish both. We appreciate the opportunity to provide feedback on this topic and trust that our comments will be seriously considered in future Board deliberations on this issue.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael J. Knesek".

Michael J. Knesek
Senior Vice President, Controller
and Principal Accounting Officer