



EXCO Resources, Inc.

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December 14, 2011

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

Re: PCAOB Rulemaking Docket Matter No. 37, Concept Release on Auditor Independence and Audit Firm Rotation

EXCO Resources, Inc. (EXCO) appreciates the opportunity to provide comments on the Public Company Accounting Oversight Board's (PCAOB) Rulemaking Docket Matter No. 37 regarding Auditor Independence and Audit Firm Rotation (the "Proposal"). EXCO is an independent oil and natural gas company engaged in the exploration, exploitation, development and production of onshore North American oil and natural gas properties. We are publicly traded on the New York Stock Exchange (XCO).

While we support enhancing auditor independence and ensuring that high levels of professional skepticism and objectivity are maintained, we believe the Proposal does not give appropriate recognition to the controls currently mandated by the PCAOB. In addition, we believe the costs of mandatory audit firm rotation outweigh any perceived benefits and could have a negative impact on the quality of audits performed. EXCO believes there is little evidence that auditor independence is impaired by not having mandatory auditor rotation. Accordingly, we are opposed to mandatory auditor rotation.

Our primary concerns related to the Proposal are as follows:

Audit Committees currently have significant responsibilities and requirements to maintain auditor independence

The concept of mandatory auditor rotation pre-supposes that Audit Committees are not effectively carrying out their duties of oversight and review of the activities of the independent auditors, including the decision to change the audit firm if necessary. The Sarbanes-Oxley Act of 2002 (SOX) established a number of requirements designed for the express purpose of strengthening independence of the independent auditors and enhancing the oversight activities of Audit Committees over independent auditors. These requirements include:

- Increased levels of experience for Audit Committee members;
- Setting compensation for and oversight of the independent auditing firm;
- Pre-approval of all audit and non-audit services by the independent auditors;

- Mandatory rotation of both the lead audit partner and the reviewing audit partner after they have provided audit services to the public company registrant for five consecutive years;
- Reports on internal control over financial reporting; and,
- Prohibition of audit firms providing services when clients have hired audit firm personnel into key management positions within specified time periods where such audit firm personnel participated in the audit of the company.

In addition, Audit Committees are required to maintain communication with the independent auditors and ensure that the following items are discussed and agreed upon:

- The annual audit plan;
- Fee estimates for the annual audit and other approved services;
- Significant audit related risks;
- Quarterly review of financial statements and other information included in Forms 10-Q;
- Annual audited financial statements, audit reports and other related reports, and other information included in Form 10-K;
- Internal control assessments required by SOX;
- Passed adjustments resulting from the audit process;
- Cooperation by management with independent auditors; and
- Disagreements with management during the audit process.

We believe that these mandatory controls and communications effectively maintain auditor independence. In addition, there is currently no evidence to imply that such measures have not been effective or that Audit Committees are not effectively carrying out their duties under SOX.

Costs of mandatory firm rotation will exceed benefits

Mandatory auditor rotation will most certainly increase audit costs that inevitably occur with auditor rotations. If mandatory rotations are enacted, EXCO believes there would be a significant increase in our audit fees and internal personnel costs associated with each auditor rotation resulting from:

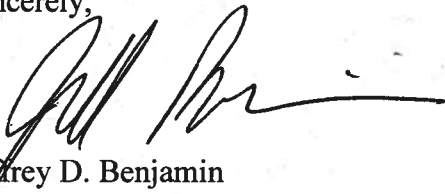
- Requirement of the new audit personnel to develop an in depth understanding of the company's operations, significant historical events, and other key elements of the company's business such as:
 - significant acquisitions, divestitures and other significant transactions;
 - debt and equity offerings; and
 - rationale and evaluation of changes in litigation accruals, asset impairments and other loss reserves.

- Possibility of significant senior management time expended in revisiting significant accounting and/or reporting decisions made in prior year; and
- Possibility that a new auditor's relevant industry experience may not be available at local offices, resulting in incremental training expenses, relocation and travel of audit personnel.

EXCO is committed to the controls and integrity of our financial statements and regulatory filings. We expect our independent accounting firm to be independent and believe that continuity provides assurance to our shareholders that the information in EXCO's financial statements is reliable. We believe the existing lead partner and review partner rotations promulgated by SOX results in continuity as valuable historical information is transferred within the existing accounting firm.

Again, we appreciate the opportunity to comment on the Proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Benjamin", with a long horizontal flourish extending to the right.

Jeffrey D. Benjamin
Chairman, Audit Committee
EXCO Resources, Inc.