



P. O. BOX 7231
St. Louis, MO 63177-1231

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

Dear Members of the Board:

We are writing on behalf of the Audit Committee of Graybar Electric Company, Inc. as well as on behalf of Graybar, a North American distributor of electrical, communications and data networking products and provider of related supply chain management and logistics services with sales in excess of \$4 billion. Succinctly, we oppose mandatory audit rotation.

There are several reasons we are opposed and those reasons are outlined briefly as follows:

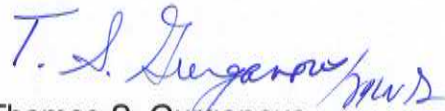
- Statistical evidence acquired to date does not suggest that a correlation, let alone a cause-effect relationship, exists between audit tenure and purported audit failure or lack of independence.
- Criminal, civil and administrative remedies for failures of auditor independence already exist.
- Direct and indirect costs that would be occasioned by mandatory auditor rotation would outweigh any perceived benefits.
- Thoroughness of corporate knowledge along with healthy independent auditor challenge of internal controls would be negatively impacted by arbitrary and mandatory rotation.
- The effectiveness and efficiency of audits would be compromised at least periodically, and invariably would artificially impact corporate decision making.

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- Audit committees have fiduciary responsibilities and are in the best position to oversee and direct independent audit firms, including whether and when rotation is in the best interests of shareholders.

In summary, mandatory audit firm rotation would be counterproductive to fostering efficacious oversight, actually decrease overall audit quality, and undermine auditor independence while weakening corporate governance and potentially compromising internal controls. Thank you for this opportunity to express our thoughts and perspective. We trust our comments will be seriously considered by the Board.

Sincerely,



Thomas S. Gurganous
Chair, Audit Committee
Graybar Electric Company, Inc.



Matthew W. Geekie
Secretary, Audit Committee
Graybar Electric Company, Inc.