



December 13, 2011

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

Re: PCAOB Release No. 2011-006, Rulemaking Docket Matter No. 37

Dear Office of the Secretary:

We appreciate the opportunity to provide comments to the Public Company Accounting Oversight Board ("PCAOB") with respect to the Concept Release on Auditor Independence and Audit Firm Rotation ("Concept Release").

Amgen is the world's largest biotech healthcare company. We discover, develop, manufacture and market medicines for grievous illnesses. We focus solely on human therapeutics and concentrate on innovating novel medicines based on advances in cellular and molecular biology.

We support the continued efforts of the PCAOB to enhance auditor independence, objectivity and professional skepticism. We do not, however, support the proposal for mandatory auditor rotation. We do not believe that mandatory auditor rotation is an effective or efficient way to enhance auditor independence or audit quality. On the contrary, we believe that it may increase audit risk and the related costs may outweigh any benefits.

The Concept Release discusses the PCAOB annual inspections of the largest audit firms over the last eight years and mentions the concern that the findings "may reflect instances in which the auditors involved failed to put the interests of investors before those of the client's management." The Concept Release, however, also mentions that the findings do "not suggest that all of the audit failures or other audit deficiencies its inspections staff has detected necessarily resulted from a lack of objectivity or professional skepticism." In fact, the Concept Release goes on to say, "the root causes of audit failures are complex and vary in nature and continue to be explored by the Board". Accordingly, we do not believe there is clear evidence that mandatory auditor rotation would achieve the PCAOB's anticipated goals.

Audit committee responsibility

Amgen's Audit Committee takes great care to reinforce the independence of the auditor and to ensure a high quality audit. Given their fiduciary responsibility, audit committees have a vested interest in ensuring their auditors are independent experts who understand the complexities of the company's business. An audit committee should retain the sole authority for the appointment, compensation, retention and oversight of the work of the independent auditor, and, where appropriate, for replacing the independent auditor. It is the audit committee's responsibility to review

any audit problems or disagreements between management and the independent auditor regarding accounting, financial reporting and related matters, and management's responses to such matters with the independent auditor. To continue to be effective, an audit committee needs to have clear responsibilities over the appointment and retention of audit firms. Mandatory auditor term limits may obstruct the audit committee's authority in deciding the appropriate time to change auditors. In order to meet shareholder needs, we believe the audit committee is in the best position to appoint an auditor and monitor and evaluate auditor independence.

Audit quality risks and expected costs

Auditor rotation could decrease audit quality. Amgen, like many other multi-national corporations, operates in a highly specialized and global environment which gives rise to complex and unique accounting issues. Over time, an auditor develops the ability to navigate the complexities and discern risks of their audit client. As a result of this, mandatory auditor rotation may lead to lower audit quality and a potential increase to investor risk for a period of time after each transition to new auditors. In addition, only a handful of accounting firms appear to have the resources to handle the audits of large companies, and not all of them may have the appropriate level of expertise in every industry or country. Furthermore, the few qualified audit firms from which to choose may not be eligible if they already provide certain non-attestation services to a company. Having to select from a limited pool of auditors who may lack sufficient specialized industry knowledge and accounting expertise may lead to decreases in audit quality.

Changing audit firms is also costly and may outweigh any resulting benefits. The US General Accounting Office survey referenced in the Concept Release noted that nearly all of larger accounting firm respondents estimated that initial year audit costs would increase by more than 20 percent.

In summary, while we support the PCAOB in its efforts to enhance auditor performance, it is not clear to us that mandatory auditor rotation would achieve this objective. Instead, we believe mandatory auditor rotation would have the opposite effect of decreasing audit quality while also increasing costs.

Thank you for this opportunity to comment on the Concept Release. We would be pleased to discuss with the PCAOB the issues addressed in this letter.

Respectfully,



Frank J. Biondi, Jr.
Chairman of the Audit Committee
Amgen Inc.