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Cordova Ventures

December 14, 2011

Mr. J. Gordon Seymour
Secretary
Public company Accounting Oversight Board
1666 K Street, N.W.
Washington, D.C. 20006-2803

RE: PCAOB Rulemaking Docket Matter No. 37 – *Concept Release on Auditor Independence and Audit Firm Rotation*

Dear Mr. Seymour:

PSS World Medical, Inc. (PSS) appreciates the opportunity to provide feedback on the Public Company Accounting Oversight Board's (PCAOB) request for comment regarding auditor independence and audit firm rotation. PSS is a \$2 billion distributor of medical products and equipment to physicians and long term care facilities in all southern states.

The Board's concern with auditor independence, objectivity, and professional skepticism is valid. However, we believe the risks and costs of proposed changes, specifically as it relates to mandatory auditor change, outweigh the benefits.

As discussed below, we are opposed to a mandated auditor change as we believe it would harm corporate governance and investor interests, significantly increase internal and external costs, and potentially diminish audit quality.

There is a significant effort to coordinate with our auditors across all facets of our business, not just accounting. There would be considerable transition time spent as new auditors develop an understanding of our business as it relates to accounting policies and procedures, historical transactions, internal control systems and procedures, IT processes and multiple other aspects of the business. Audit firms can, and have in our experience, managed transitions effectively; however, there is inherently a large volume of initial audit procedures that are performed and those require a substantial amount of hours incurred by both the company and the audit firm. We do not feel incurring this substantial transition effort with any frequency will add any more comfort around auditor independence, objectivity and professional skepticism. Therefore, we do not believe the benefits of mandatory auditor rotation outweigh the costs.

We also believe that mandatory rotations would decrease the overall audit quality. There is an advantage that comes with an audit firm having tenure. An auditor gains significant knowledge and understanding of a company over time, and such knowledge enhances audit quality. Auditors need this knowledge and understanding of a company to effectively deal with complex industry and/or accounting

issues. Acquiring this knowledge takes time. In an environment of increasing complexity, these challenges would have negative implications for audit quality, investor protection and the integrity of the financial system. The audit risk would increase as a 100% new team is put in place.

While we are opposed to the proposed mandatory auditor rotation, we fully support requiring and enhancing auditor independence. However, we believe that our Audit Committee is best suited to ensure that independence and to select and oversee our auditors. We know that our Audit Committee takes their responsibilities over auditor evaluation very seriously. We feel that the PCAOB would be more effective in ensuring that the strength of audit committees and their oversight of the audit are consistently applied across all public companies.

We support that the SEC currently requires key audit partners to rotate off audit engagements after five years and avoid association with the audited company for another five years, as well as the required rotations for other partners on engagement teams. We believe that mandatory audit partner rotation has strengthened auditor independence, objectivity and professional skepticism. Another key point is that the normal turnover of CEOs, CFOs and Audit Committee members, has caused the relationship between individual auditors and the companies they audit to remain fresh.

Lastly, we believe the consideration of an issue as significant as mandatory auditor rotation should not proceed without a determination that, in fact, a correlation exists between auditor tenure and audit failure. As stated in the PCAOB Concept Release, there is no substantial data to support that there is a direct relationship between tenure and auditor independence and audit quality. Our Audit Committee takes these two issues very seriously. The cause of any deficiency found by PCAOB inspections are not clear and therefore it cannot be determined that a mandatory change in auditor would remediate these deficiencies. We believe there is more likely a chance of remediating the deficiencies with tenured auditors as they have the knowledge and understanding of the company that enhances audit quality.

We appreciate the opportunity to express our view that we do not support the concept of mandatory auditor rotation.

Respectfully,



Charles E. Adair
Audit Committee Chairman



David M. Bronson
Executive Vice President and Chief Financial Officer
PSS World Medical, Inc.