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Brent J. Fields
Office of the Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Posted on www.sec.gov/rules/pcaog.shtml

Re: File Number PCAOB-2017-01 Notice of Filing of Proposed Rules on The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion, and Departures from Unqualified Opinions and Other Reporting Circumstances, and Related Amendments to Auditing Standards

Dear Mr. Fields:

This letter reflects the comments of ArcBest on the July 21, 2017, Notice of Filing of Proposed Rules on *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion, and Departures from Unqualified Opinions and Other Reporting Circumstances, and Related Amendments to Auditing Standards*, filed by the Public Company Accounting Oversight Board ("PCAOB" or "Board") with the Securities and Exchange Commission ("Commission") on July 19, 2017 and posted to the Federal Register on July 28, 2017.

We appreciate the PCAOB's objective to improve the relevance and usefulness of the auditor's report. However, we are concerned by the provisions in the standard regarding the inclusion of critical audit matters (CAMs) and the disclosure of the audit firm tenure in the audit report.

Critical Audit Matters (CAMs)

We are concerned that the inclusion of CAMs in the audit report will fail to add relevant information for users of the audit report and related financial statements, while it is certain to add costs to the audit and impact the management and auditor relationship.

Page 74 of the Board's Exposure Draft dated May 11, 2016, stated, "Overall the results from research analyzing whether the information provided in expanded auditor reporting is useful to investors are limited. Collectively, the results are ambiguous as to whether the expanded auditors' reports have provided investors with new information beyond what is contained in the financial statements." We agree with the view that including lengthy CAMs in the auditor's report will not provide additional value to investors or other users of financial statements.

We oppose the inclusion of CAMs because we also believe the provision improperly shifts the responsibilities of management and the audit committee to the auditor, inappropriately expanding the auditor's role and straining the relationship between management, the audit committee, and the auditor. In accordance with rules and regulations, management is responsible for disclosure of the financial information and risks, as well as the accounting policies that are critical to understanding the financial information and that require difficult or complex judgments. The auditor's report should not be the original source for company information, rather the auditor should opine on information provided by management. Including this type of information in the audit report could lead to duplicate or conflicting reports with management disclosures and lead to confusion among financial statement users. Drawing attention to certain CAMs may also cause investors to conclude there is a problem with the audit in spite of an unqualified opinion.

We also believe that there is a significant risk that third parties may conclude there is a correlation between the volume of CAMs included in the auditors' report and the quality of the audit, a completely erroneous conclusion. Such a development would create the potential for more and expanded CAMS as audit firms seek to improve the perceived quality, but not necessarily the actual quality, of their audits. Such an increase in CAM disclosures would result in additional audit costs to public companies and their investors disproportionate to any benefits.

The requirement to include CAMs in the auditor's report will also distract attention from the audit for both the auditor and the company at a very critical time for all those involved under tight filing deadlines. With two separate descriptions of certain critical accounting policies and estimates, discussions would be necessary to determine which version appears in the CAM vs. MD&A and the footnotes. Because the auditor's identification, evaluation and description of CAMs would require the attention of highly experienced audit executives, it is possible that the attention given to CAMS would result in less availability of those audit executives in the actual performance of the audit of the financial statements and of internal controls over financial reporting. That could have the effect of detracting, rather than adding to, the quality of the audit.

Finally, with respect to the concept of auditor reporting on CAMs, we believe that any action on the proposed rule filed by the PCAOB should be deferred until after the finalization of amendments proposed by the Securities and Exchange Commission in July 2016 regarding (quoting from the proposed release 33-10110) "disclosure requirements that have become redundant, duplicative, overlapping, outdated, or superseded in light of other Commission disclosure requirements, U.S. Generally Accepted Accounting Principles ("U.S. GAAP"), International Financial Reporting Standards or changes in the information environment." The Commission in that release also solicited comment on certain Commission disclosure requirements that overlap with, but require information incremental to U.S. GAAP to determine whether to retain, modify, eliminate, or refer them to the Financial Accounting Standards Board (FASB) for potential incorporation into U.S. GAAP. The comments to that release will very likely include views of investors and others regarding currently required disclosures in financial statements and otherwise included in SEC filings. The SEC's analysis of those comments and its final conclusions and possible referrals to the FASB will provide relevant information regarding such items as critical accounting estimates and U.S.GAAP requirements which bear directly on the audit of registrants financial statements. No final rule on the inclusion of CAMs in the auditors' report should be finalized until after the SEC has completed its work.

If inclusion of CAMs as adopted by the Board, is ultimately deemed necessary by the Commission, then the CAMs should be selected from the critical accounting estimates as disclosed in detail by

management, rather than from matters the auditor is required to communicate to the audit committee. This approach would eliminate the potential for the auditor to become the original source of information as well as the potential for duplicative or conflicting disclosures between the auditor and management. An alternative would be the inclusion of a statement that the audit included evaluation of the accounting policies and significant estimates. A single statement could be added to the auditor's report referencing the location of such policies in the document which the audit report is included. For larger U.S. public companies, investors are also provided additional assurance in the auditor's report on internal control over financial reporting.

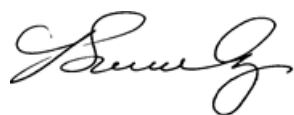
If the SEC supports the final standard, we recommend the use of public roundtables to bring auditors, preparers, and users together to discuss CAMs and exactly how they would be developed and used in practice prior to the final approval by the Commission.

Auditor Tenure

We continue to oppose the inclusion of auditor tenure in the auditor's report. We do not feel there is convincing evidence to support the fact that this information would provide value to investors or improve audit quality. Research outlined on page 91 of the Board's Exposure Draft dated May 11, 2016, showed that views varied as to how short-term vs. long-term tenure is perceived among investors. We continue to believe that with such mixed results, it does not appear that there is a direct correlation of auditor tenure with audit quality and it is possible that investors could draw incorrect inferences about auditor tenure as it relates to audit quality. We believe the increased voluntary disclosure of this information in proxy statements provides for the appropriate discussion of auditor engagement in the proper context.

Conclusion

In conclusion, we oppose the inclusion of CAMs or auditor tenure information. We also believe that the magnitude of these items should be considered in collaboration with the Securities and Exchange Commissions' related disclosure framework. We appreciate the opportunity to express our views on this Notice of Filing on Proposed Rules.



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