



**Texas Society of
CPA Certified Public Accountants**

May 16, 2007

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

RE: Concept Release Concerning Scope of Rule 3523; PCAOB Rulemaking Docket
Matter No. 017

Dear Mr. Seymour:

One of the expressed goals of the Texas Society of Certified Public Accountants (TSCPA) is to speak on behalf of its members when such action is in the best interest of its members and serves the cause of Certified Public Accountants in Texas, as well as the public interest. The TSCPA has established a CPA Practice Issues Committee (CPAPI) to represent those interests on issues of concern to TSCPA members in public practice. The views expressed in this letter have not been approved by the Texas Society of CPAs' Board of Directors or Executive Board and, therefore, should not be construed as representing the views or policy of the Texas Society of CPAs.

We are pleased to have the opportunity to provide the input of the TSCPA CPAPI into your deliberations regarding the Concept Release Concerning Scope of Rule 3523.

Our committee commends the Board for revisiting Rule 3523 as it relates to the independence of a registered public accounting firm which provides tax services during the audit period, but before the professional engagement period, to a person in, or an immediate family member of a person in, a financial reporting oversight role at a public company audit client. Our responses to the two questions posed in Section III are noted below.

Question 1. To what extent, if any, is a firm's independence affected when the firm, or an affiliate of the firm, has provided tax services to a person covered by Rule 3523 during the portion of the audit period that precedes the professional engagement period?

We do not believe that a firm's independence is compromised by it having provided tax services to a person covered by Rule 3523 during the portion of the audit period preceding the professional engagement period. We further do not believe that tax services having been provided to persons covered by Rule 3523 prior to the professional engagement period would compromise the auditor's independence. The absence of a client relationship between the audit firm and the company during the period in which the tax services are provided to those persons covered by Rule 3523 does not lead to a compromise of independence in fact or in appearance.

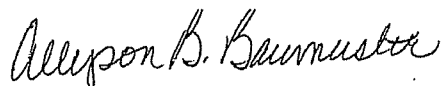
Mr. J. Gordon Seymour
Public Company Accounting Oversight Board
May 16, 2007
Page Two

Question 2. *What effect, if any, would application of Rule 3523 to the audit period have on a company's ability to make scheduled or unscheduled changes in auditors? Could any such effect be minimized or managed through advanced planning or otherwise?*

We believe the application of Rule 3523 to the audit period could adversely affect a company's ability to make a change in auditors. In today's environment, there are only four large international auditing firms capable of handling the largest public companies. If a company wishes to change its audit firm and one of the four international auditing firms had been providing tax services to one of the company's persons covered by Rule 3523, it would only have two potential audit firms from which to obtain proposals for its audit. This would seriously limit the company's options in selecting new auditors. This situation would be exacerbated if various company personnel covered by Rule 3523 were using different firms. In this situation, the company might not be able to use any of the four firms. The only possible way to mitigate this limitation would be to restrict the company's persons in a financial oversight role and their family members from retaining the tax services from any firm which might be a potential auditor for the company. While there may be many firms capable of providing tax services to such persons, the restriction imposed on them based on the possibility of an unplanned, potential, and unidentified future auditor change seems to us unreasonable.

We appreciate the opportunity to provide our input to the standard setting process.

Sincerely,



Allyson B. Baumeister, CPA
Chair, Practice Issues Committee
Texas Society of Certified Public Accountants