



September 30, 2011

Office of the Secretary
Public Accounting Standards Board
1666 K Street N.W.
Washington, DC 20006-2803

Via email to comments@pcaobus.org

Re : PCAOB Rulemaking Docket Matter No. 34

NIKE, Inc. ("NIKE") appreciates the invitation to comment on the Concept Release on Possible Revisions to PCAOB Standards Related to Reports on Audited Financial Statements ("Concept Release") issued on June 21, 2011, by the Public Company Accounting Oversight Board ("PCAOB," "Board").

NIKE's principal business activity is the design, development, worldwide marketing and selling of high quality footwear, apparel, equipment, and accessory products. We are the largest seller of athletic footwear and athletic apparel in the world, employing over 38,000 people worldwide. Revenues for our fiscal year 2011 ended May 31, 2011, were over \$20 billion. We sell our products to retail accounts, through NIKE-owned retail stores, internet sales, and through a mix of independent distributors and licensees, in over 170 countries around the world. NIKE prepares consolidated financial statements in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") and files financial statements with the Securities and Exchange Commission ("SEC"). Our securities are listed and traded on the New York Stock Exchange.

We value the importance of a high-quality audit and are supportive of any changes that truly improve audit quality. Based on the stated objectives and remedies noted in the Concept Release, however, we do not believe changes to the current audit opinion will adequately address the noted objectives and therefore do not support any changes to the standard audit opinion. We believe the current audit opinion provides investors with a solid basis for understanding the accuracy and completeness of the financial statements and related disclosures. We believe investor education around the PCAOB auditing standards, inspection process, and auditor governance, in addition to the key terms stated in the standard audit opinion, would reduce some of the uncertainty investors feel about the audit.

We believe investor objectives could be effectively met by expressing the same concerns to the FASB and SEC as adjustments to disclosure requirements and accounting policy documentation would be a more effective means of meeting investor expectations. Our views on the alternatives presented in the Concept Release and the current audit opinion are summarized below.

Current Audit Opinion

We believe the current audit opinion conveys all necessary information an investor would find useful in assessing the appropriateness and accuracy of the financial statements and the adequacy of the governing internal controls. We recognize investors have expressed concern the standard opinion is "boilerplate"; however, we believe that the current opinion allows for consistent analysis of audit results across all industries, companies, and auditing firms, leaving no grey area for investors in determining the outcome of the audit procedures. The opinion discloses the financial statements are presented fairly in all material respects in accordance with U.S. GAAP and we believe the opinion is adequate for investors to understand the auditor's view of the financial statements and related disclosures.

Auditors Discussion and Analysis

Of all the alternatives presented in the Concept Release, we believe the Auditors Discussion and Analysis ("AD&A") is the least appropriate way to meet investor expectations. Based on the commentary noted in the Concept Release, the AD&A is intended to facilitate an understanding of the auditor's opinion and provide the users of the financial statements with a view "through the auditor's eyes." We disagree with the intentions of the AD&A as we believe the view of the financial statements "through the auditor's eyes" is the current audit opinion. If the auditors did not believe the financial statements were presented fairly in all material respects in accordance with U.S. GAAP, an unqualified opinion would not be issued. The descriptions of each type of audit opinion and the PCAOB auditing standards that govern each audit are publicly available to investors who want an additional understanding of what the opinion represents. We do not see the added value in requiring the auditors to draft a response that summarizes the audit when the current opinion accomplishes the same in a clearer and more concise manner.

Additionally, we believe the auditor's role in an engagement is to independently attest that management's financial statements are presented fairly in all material respects in accordance with U.S. GAAP and that internal controls over financial reporting is effective in all material respects. We do not think the auditor's role should be expanded to provide additional disclosures regarding our business. The financial statements, associated MD&A, press releases, and other externally filed information is the responsibility of management, and all externally reported information regarding the company should come from management.

We are opposed to several of the disclosure items noted in the AD&A, including the disclosure of audit risk factors, audit procedures and results, and difficult or contentious issues, including "close calls." We believe the disclosure of each has the potential to create further confusion and we do not believe a reasonable investor would consider these disclosures to be important in making decisions about investments.

Disclosure of Audit Risk Factors

We disagree with the suggestion of disclosing audit risk factors in the AD&A. Audit risk factors do not necessarily align with the risks identified by the company and disclosed in our public quarterly and annual filings with the SEC. We believe disclosing these risks will not provide investors with useful decision making information and are uncertain how the investor will be able to reconcile the risks disclosed in our quarterly and annual filings with the SEC and the audit risks documented, as the audit risks are intended to drive the substantive procedures performed. The risk of creating confusion far outweighs the benefit of providing this information for investors.

Disclosure of Audit Procedures Performed and Results

We also disagree with the need to disclose audit procedures performed and the results of those procedures. The results of the audit are currently disclosed in the audit opinion and we do not believe it is worthwhile or necessary to require the results to be reported twice. The PCAOB auditing standards that govern the audit procedures performed are easily accessible for viewing by investors. The opinion states the audit was conducted in accordance with the PCAOB standards. We believe disclosure of the individual procedures is repetitive and do not see the value additional disclosure will provide investors considering the outcome of the procedures is summarized in the current opinion.

Disclosure of Difficult or Contentious Issues, Including "Close Calls"

We are opposed to the suggested disclosure of difficult or contentious issues, including "close calls." The auditor's view of our financial statements is stated in the opinion, which encompasses all of our judgments, estimates, and contentious issues. An unqualified opinion would not be issued if there were material errors, omissions, or differences between the auditors and management. We do not see the value of requiring the auditors to specifically state their opinion individually over these issues. There is more potential to create confusion among investors by disclosing this information.

Required and Expanded Use of Emphasis Paragraphs

We believe that the current use of emphasis of matter paragraphs is appropriate. Their intended purpose is to highlight situations or transactions that are material to the financial statements and disclosures and we do not believe that the mandatory use of these paragraphs provides any additional value to investors if there are no serious matters to emphasize. We believe the required use of these paragraphs would create confusion for investors who may not understand the technical nature of accounting estimates, judgments, and transactions that may be emphasized by the auditors.

The Concept Release noted that requiring emphasis paragraphs could persuade companies to improve their disclosures around the emphasized transactions. We do not see the perceived benefit, as disclosures must be presented in accordance with U.S. GAAP to receive an unqualified opinion, and unless U.S. GAAP disclosure requirements are changed, we believe it is highly unlikely that the disclosures will change.

Auditor Assurance on Other Information Outside the Financial Statements

We do not believe an auditor's opinion on other externally reported information will provide investors with the greater transparency they desire. Currently, under the anti-fraud rules and regulations promulgated and enforced by the SEC, issuers are liable for all externally reported information, including press releases and all public filings, which may include MD&A disclosures. Investors should have some comfort level that management is not intentionally providing misleading or incorrect information based on the governing SEC rules and regulations. Additionally, our auditors are required to review our MD&A and press release to ensure consistency with the reported financial statements. While review procedures are not as rigorous as audit procedures, we do not see the incremental benefit to investors by requiring this information to be audited. And, finally, we are concerned that adding this requirement could push back the filing time of our forms 10-K and 10-Q, earnings release calls, and investor meetings.

Clarification of the Standard Auditor's Report

We are not opposed to adding clarifying language to the standard audit opinion; however, we do not believe that the clarifications would add any value for an educated investor. The definitions and contextual meanings are available to the public and are consistent from opinion to opinion. If the investment community is mandating change and the Board believes that further clarification of the terms in the standard opinion will accomplish the stated objectives of investors, we would be supportive of this change to the opinion.

Each of these alternatives, and especially the proposed AD&A and Auditor Assurance on Other Information Outside the Financial Statements, will place significant additional burdens on both the auditors as well as issuers while providing only marginal, at best, value for investors. Adoption of any of these proposals will impose significant costs (both internal and external) to the issuers. While the PCAOB's proposals are well intended, they fail to strike the right balance between investor confidence and comfort versus issuer and auditor increased burden and cost.

Thank you for your consideration of the points outlined in this letter and we look forward to monitoring the project developments in the future. If you have questions or would like to discuss our responses further, please contact me at (503)671-6453.

Sincerely,



Bernard F. Pliska

Nike, Inc.

Vice President, Corporate Controller, Principal Accounting Officer