December 5, 2011

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

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

On behalf of Imation Corp (NYSE: IMN) I am pleased to respond to the request for comments to the Public Company Accounting Oversight Board (the "PCAOB") on its Concept Release on Auditor Independence and Audit Firm Rotation, PCAOB Release No. 2011-006; PCAOB rulemaking Docket Matter No. 37 dated August 16, 2011 (the "Release"). I appreciate the PCAOB's decision to obtain input on the Release in order to promote the development of sound standards that can add value and be practically applied.

Imation Corp. (NYSE: IMN) is a global technology company dedicated to helping people and organizations store, protect and connect their digital world. The Company’s portfolio of data storage and security products, electronics and accessories reaches customers in more than 100 countries through a global distribution network. Imation Corp.'s global brand portfolio includes the Imation, Memorex, XtremeMac, TDK Life on Record, and MXI Security brands. Annual revenues for the fiscal year 2010 were nearly $1.5 billion.

I support and am encouraged by the PCAOB's initiatives to enhance audit quality. As Imation's Corporate Controller and Chief Accounting officer I believe in the value of a high quality audit. However, I believe a mandatory audit firm rotation would not enhance audit quality and would significantly increase costs. The following points further elaborate my position.

- There is increased audit risk posed in the earlier years of an audit engagement by the new firm. In my experience, having also spent a decade in a Big Four accounting firm, industry and client specific experience gained over time actually increases audit quality. Further, in the initial years of an engagement, considerable effort will be spent by the company educating the new auditor thereby inherently diverting time away from internal controls.

- Currently, companies work closely with their auditors to maintain independence. This can be quite challenging for multi-national companies that must coordinate professional services with many locations. Under a mandatory rotation standard, a company would be basically required to maintain independence with its current firm as well as any potential successor firms. In addition, certain small markets or developing countries may have a limited number of quality audit firms to select from. Therefore, a mandatory rotation standard would create a large burden on companies to find solutions that fit their needs.
The cost of changing audit firms is quite significant. The US General Accounting Office survey alluded to in the concept release reports an estimated 20% increase in audit costs for the first year of the audit firm's engagement. In addition, management of the issuer is required to devote substantial effort, time and attention to the transition process to properly prepare the new auditor. Finally, there is the added cost for multi-national firms due to the audit requirements imposed on subsidiaries that operate abroad. Imation, and other companies operating internationally, therefore face audit firm rotation not only at the parent level, but also at the subsidiary level which would also add costs. To add these types of costs without a direct and sure improvement in audit quality is simply a poor investment for the US economy.

In summary, mandatory rotation of auditors actually may decrease audit quality and will certainly increase costs. Therefore, the PCAOB should not move forward with a mandatory rotation standard, but rather focus on improving effectiveness of current standards.

Thank you for your consideration.

Sincerely,

Scott Robinson
VP, Corporate Controller and Chief Accounting Officer
(651) 704-5159
1 Imation Way
Oakdale, MN 55128-3414
www.imation.com