



Business Roundtable

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September 29, 2004

Mr. Jonathan G. Katz
Secretary
U.S. Securities and Exchange Commission
450 Fifth Street N.W.
Washington, D.C. 20549-0609

**Re: *File No. S7-32-04; Release Nos. 33-8477, 34-50254
Temporary Postponement of the Final Phase-in Period for Acceleration of Periodic
Report Filing Dates***

Dear Mr. Katz:

This letter is submitted on behalf of Business Roundtable, an association of chief executive officers of leading corporations with a combined workforce of more than 10 million employees in the United States and \$4 trillion in revenues. We appreciate the opportunity to provide our views on the Securities and Exchange Commission's proposal to postpone, by one year, the final phase of the three-year transition period accelerating the due dates applicable to annual and quarterly reports filed by "accelerated filers." For the reasons discussed below, Business Roundtable strongly supports this proposal.

The proposal would afford companies an additional year to comply with accelerated filing requirements under which annual reports on Form 10-K will have to be filed within 60 (rather than 75) days of fiscal year end and quarterly reports on Form 10-Q will have to be filed within 35 (rather than 40) days of quarter end. As the Commission notes in its proposing release, the 60-day filing deadline currently is scheduled to take effect with the first Form 10-K that must contain the internal control report of management, and the outside auditor's attestation on this report, mandated by Section 404 of the Sarbanes-Oxley Act of 2002. Business Roundtable believes that postponing implementation of this deadline for one year would benefit both companies and investors.

Postponing acceleration of the filing deadline for Form 10-K by one year would benefit companies, and their auditors, by allowing them to focus on complying for the first time with Section 404 without the added pressure of an accelerated filing deadline. In this regard, Business Roundtable believes that the Commission's proposal strikes an appropriate balance between two competing priorities – the quality and integrity of financial reporting and the market's need for timely information. As the Section 404 compliance deadline approaches, the highest priority for companies and their auditors should be completing the assessment and documentation of internal controls with care and accuracy. Although we expect that most of our companies will have substantially completed this process, we believe that companies would benefit from the additional time available under the proposal to reflect on

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and resolve complex analytical issues that they may be confronting for the first time. This additional time also would benefit investors by promoting the quality of companies' processes for reviewing and assessing internal controls and by enhancing the accuracy of disclosures relating to internal controls, without significantly impacting the timeliness of the information in the Form 10-K.

Business Roundtable also supports the Commission's proposal to afford companies an additional year to comply with the filing requirements applicable to quarterly reports on Form 10-Q. Although disclosure about material changes to internal controls is already mandated in Forms 10-Q, beginning with the first Form 10-Q filed after the first Form 10-K that contains management's internal control report, Commission rules will require that management conduct quarterly evaluations of material changes to internal controls. This requirement will necessitate, among other things, that companies determine the nature and extent of their quarterly internal control evaluations and assess materiality. As with the Form 10-K, we believe that both companies and investors would benefit if companies are able to focus on complying with this requirement for the first time without the added pressure of a shorter filing deadline. Moreover, shifting the entire implementation schedule by one year would provide greater clarity and simplicity because it would treat acceleration of the filing deadlines for quarterly and annual reports uniformly.

Finally, Business Roundtable believes that it is appropriate to postpone implementation of the filing deadlines for all accelerated filers, rather than permitting extensions on a case-by case-basis or requiring a demonstration of need. Requiring companies to make a filing or to submit a request to the Commission in order to obtain an extension, or to demonstrate the basis of their need for an extension, could cause confusion in the marketplace by suggesting that companies seeking extensions have deficiencies in or other issues with their internal controls. In addition, it would divert time and resources away from companies' efforts to assess and document their internal controls. To the extent that the Commission must review individual requests for extension, it would also divert staff time and resources.

Thank you for considering our comments. Please do not hesitate to contact Thomas Lehner at Business Roundtable at (202) 872-1260 if we can provide you with further information.

Sincerely,



Steve Odland
Chairman, President & CEO
AutoZone, Inc.
Chairman, Corporate Governance Task Force
Business Roundtable

cc: Hon. William H. Donaldson, Chairman, U.S. Securities and Exchange Commission
Hon. Paul S. Atkins, Commissioner
Hon. Roel C. Campos, Commissioner
Hon. Cynthia A. Glassman, Commissioner
Hon. Harvey J. Goldschmid, Commissioner