



Advancing Global Communications

May 11, 2007

The Honorable Christopher Cox
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Dear Chairman Cox:

The Telecommunications Industry Association (TIA) commends the Securities and Exchange Commission (SEC) for addressing the important subject of Sarbanes-Oxley (SOX) compliance. However, TIA is particularly concerned with the unintended burden SOX Section 404 places on small- and medium- sized entities (SME's). Since eighty percent of TIA membership is comprised of SME's, TIA appreciates this opportunity to comment on the toll SOX is taking on small companies.

TIA represents more than 600 companies that provide information and communications technology products and services for the global marketplace through its core competencies in standards development, domestic and international advocacy, as well as market development and trade promotion programs. The association facilitates the convergence of new communications networks while working for a competitive and innovative market environment. TIA has a broad membership with interests in various policy issues affecting their business.

While TIA supports the goals SOX seeks to achieve, we are concerned with the disproportionate effects compliance has on non-accelerated filers, as compared to accelerated filers. Accounting and auditing fees, lost productivity, and legal fees associated with SOX compliance especially impact SMEs, whose resources are much more limited than large companies. As a result, many of these companies are choosing not to operate or to delist as a public company or to list on a foreign exchange, which negatively impacts the U.S. economy.

For these reasons, TIA urges the SEC to further delay compliance for non-accelerated filers until new standards have been adopted and have been employed for at least twelve months by accelerated filers. This would give the SEC the opportunity to complete a full cost/benefit analysis of the completed regulations through a full-field testing and evaluate the effects of regulations before imposing them on smaller companies, for whom the regulations are more burdensome. Further, extending the exemption for non-accelerated filers will allow these companies to properly prepare for compliance and reduce the likelihood of a material weakness in their first audit.

Thank you for consideration of our views. Please contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Grant Seiffert", written in a cursive style.

Grant Seiffert
TIA President