

March 15, 2005

Jonathan G. Katz
Secretary, Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549-0609

Dear Mr. Katz,

This letter is intended to serve as the official response from Texas Eastern Products Pipeline Company, LLC in its capacity as general partner of TEPPCO Partners, L.P. ("TEPPCO") regarding request number 2005-20 of the Securities and Exchange Commission ("SEC" or "Commission") titled "Commission seeks feedback and announces date of roundtable on implementation of Sarbanes Oxley internal control provisions".

TEPPCO is a publicly traded master limited partnership, which conducts business through various subsidiary operating companies. TEPPCO owns and operates one of the largest common carrier pipelines of refined petroleum products and liquefied petroleum gases in the United States; owns and operates petrochemical and natural gas liquid pipelines; is engaged in crude oil transportation, storage, gathering and marketing; owns and operates natural gas gathering systems; and owns 50-percent interests in Seaway Crude Pipeline Company, Centennial Pipeline LLC, and Mont Belvieu Storage Partners, L.P., and an undivided ownership interest in the Basin Pipeline. Texas Eastern Products Pipeline Company, LLC, a wholly owned subsidiary of Enterprise GP Holdings L.P., is the general partner of TEPPCO Partners, L.P.

TEPPCO incurred a significant amount of expenditures related to the implementation of Section 404 of the Sarbanes Oxley Act ("Section 404") in both fiscal years ended 2003 and 2004. Although TEPPCO management sees some value in this implementation aside from general compliance with government regulations, management perceives the expense incurred to be significantly larger than the value received by the Company and the value added to our unitholder's investment in TEPPCO. While placing focus on our unitholder's interest, we would make the following suggestions related to the ongoing Section 404 requirements.

- Currently, controls are not allowed to be tested on a rotational basis. We suggest a three year rotation of testing for manual controls and a five year rotation of testing for application controls that have not changed since they were last tested. For example, for manual controls, it should be acceptable to walk through a control tested in a prior year one time to validate that it has not changed and have that walkthrough serve as the testing for that year. This could be repeated in the following year. In the third year, regardless of whether the manual control has changed, it could be required that it be tested. This change could alleviate significant testing costs to companies and still provide assurance as to the strength of controls. Alternatively, companies could test process level controls on a rotational basis as discussed above but continue to test monitoring and change controls annually without rotation.



- In the Answer to Question 3 of the SEC's Frequently Asked Questions regarding "Management's Report on Internal Control over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports", the SEC provides guidance that would allow a potential transition period of at least one year for processes related to material acquisitions that could not be fully integrated by year end with time enough to test them for the purposes of Section 404 compliance. We feel this should apply to significant changes in the control structure as well. For example, assume a significant amount of controls are outsourced to an entity. If management determines these controls should be performed in-house and integrated into the existing control structure, we would recommend allowing the same one year grace period so that there is adequate time to integrate the new processes and controls into the existing control structure before they are required to be tested. This would provide companies with more time to properly integrate processes and ensure a stronger control environment as opposed to allocating large quantities of resources and "quick fixes" in an attempt to be compliant in a short period of time. In addition, integrating new controls that were at one time outsourced appears analogous to integrating controls once an acquisition has occurred.
- In Question 30 of the Public Company Accounting Oversight Board ("PCAOB") Question and Answer dated November 22, 2004, the PCAOB suggests that external auditors can use the work of another auditor, but leaves that to the external auditor's discretion. Management and the company's external auditors should be *encouraged* by the Commission to accept the work of other qualified auditors of service providers when no Statement on Auditing Standards (SAS) No. 70, Service Organizations, as amended (AICPA, Professional Standards, vol. 1, AU sec. 324.18-.21) ("SAS 70") report is available. For instance, assume Companies A and B are required to be compliant with Section 404. If Company A provides accounting services for Company B and Company A does not provide a SAS 70 report, Company B's management should be *encouraged* by the Commission to place reliance on Company A's management testing, and the external audit firm for Company B should be *encouraged* by the Commission to place reliance on the testing performed by Company A's external audit firm as it relates to Company B's processes and controls.
- We understand that costs incurred by a company to be compliant with regulations are typically period costs and thus expensed as incurred. However, given the nature of Section 404 and the extensive costs incurred, we believe costs associated with the documentation and implementation of Section 404 should be capitalized and allocated over some useful life. This appears reasonable as the documentation will be used in future periods and thus the costs of the documentation should be matched with the benefit derived in those future periods.
- The Commission should consider integrating some personnel into the SEC from public companies who have experienced significant Section 404 implementation and ongoing compliance issues. This could enable the SEC to better address questions from public companies and provide answers that do not require companies to make business decisions, i.e. "run the business", based upon Section 404.



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We feel the above recommendations could help alleviate some of the stress and burden caused by Section 404, while still meeting the objectives that Section 404 originally intended. TEPPCO appreciates the Commission's request for feedback and hopes the Commission will continue to seek guidance from companies who are charged with the ongoing task of remaining compliant with the Sarbanes Oxley Act.

Very truly yours,

Texas Eastern Products Pipeline Company, LLC
in its capacity as general partner of TEPPCO Partners, L.P.

Charles H. Leonard

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TEPPCO Partners, L.P.
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