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March 31, 2005

William H. Donaldson, Chairman
U.S. Securities and Exchange Commission
450 Fifth Street N.W.
Washington, D.C. 20549-0609

Re: File No. 4-497

Dear Chairman Donaldson:

Enterprise Products Partners L.P. is a publicly traded partnership listed on the New York Stock Exchange under the ticker symbol EPD. We are a leading North America midstream energy company providing a wide range of services to producers and consumers of natural gas, natural gas liquids or NGLs, and crude oil, and we are an industry leader in the development of midstream infrastructure in the deepwater trend of the Gulf of Mexico.

In response to the Commission's February 2005 invitation for comments on experiences with implementing the new internal control requirements under Section 404 of the Sarbanes-Oxley Act of 2002, we would like to provide feedback regarding our experiences and provide recommendations which we hope will be useful as the Commission evaluates the future of Section 404 regulation. Our general partner's management team and Audit and Conflicts Committee have been involved with every facet of our Sarbanes-Oxley Act Section 404 compliance effort since October 2002.

➤ **Positive Results of 404 Compliance**

The 404 compliance process resulted in some positive changes.

- The compliance process did result in a more comprehensive documentation of our business processes, which is up-to-date and readily available on an internal network system for use by management, internal audit and external audit.
- There is improved communication and interaction between management and the internal and external auditors.
- The new internal control environment resulted in the implementation of an anonymous hotline and a renewed focus on fraud related controls.

➤ **Process Consistency**

The universal problem public companies faced during 2002-2004 was how to comply with the Act. This can be broken down into two major areas: (1) What does the Act require, and (2) how do we meet the PCAOB standards?

Now that we have been through the initial 2004 certification, our goal in 2005 is to enhance the internal compliance process. This requires that we have a stable regulatory environment in which to work. If changes are contemplated in the Commission's rules or policies, we ask that the effects such changes would have on the regulated community's now-established compliance process be given careful thought. If additional documentation is to be required, we ask that the Commission carefully consider the effort and resources it will take to create that documentation and the associated costs for preparing, reviewing, maintaining and accessing it.

➤ **Assessment of Internal Controls**

In 2004, key controls were tested heavily. In 2005, we would like to see guidelines established with respect to the frequency of testing certain controls and a modification of the requirements regarding the external auditors' annual walkthroughs. We do not believe it serves any regulatory purpose to test all controls every year or perform annual walkthroughs when there has been no change in a given control or the personnel responsible for it. A reasonable testing rotation policy would reduce the cost of compliance and permit the utilization of the internal audit staff on traditional audit functions such as operational audits, non-operated joint ventures and contractor audits.

A similar area of concern is the degree of internal control testing. Under current Audit Standards, a company department had the potential in 2004 to be audited for: (1) internal audit test work, (2) external audit test work, (3) internal audit roll forward test work (4) external audit roll forward test work, and (5) financial external audit test work when not combined with other external audit test work. Such repetitive testing was simply not effective, and the same possibility remains for 2005.

Prior to the Sarbanes-Oxley Act, the external auditors were allowed to place more reliance on the internal auditor's work. We believe the Commission should consider allowing internal auditors and external auditors to audit different functions on a rotational basis based on specific guidelines, thus providing greater audit coverage and enabling both groups to see and become familiar with a broader spectrum of the company's controls.

Another way to reduce the duplication in testing and associated costs under the current rules would be to reconsider how to evaluate management's assessment process. The method used in 2004 was for the external auditors to independently perform testing in a manner similar to that employed by internal audit or other management assessment teams. This duplication of effort was due to the limited reliance the external auditors could place on the work performed by

others. We believe there should be a better way to reach the same objective and ask that the Commission consider the following:

- There is no specific qualification standard that the internal assessment (or audit) function must meet.
- The Public Company Accounting Oversight Board has not established any guidelines regarding the internal assessment process, and the assessment process generally follows the PCAOB's Audit Standard for the external auditors.

If careful, common sense requirements for the internal assessment process were implemented, more reliance could be placed by the external auditors on the work performed by others. The integrity of the process could be preserved while improving the efficiency and effectiveness of the effort. Greater reliance on the internal audit function might still require that the external auditors perform some test verification, but the overall amount of testing required would be reduced if some reasonable degree of reliance were permitted. The test work performed as part of the financial audit could also be used to verify the internal assessment process without sacrificing integrity or reliability.

➤ **Annual Compliance Cost**

In considering annual Section 404 compliance costs, our intent is not to complain about the cost of the first year's compliance, but it is generally recognized that 2004 compliance costs were extremely high. At Enterprise, the Section 404 compliance work performed by our external auditor equaled the cost of the entire 2003 financial statement audit, and we believe this experience was not atypical for companies of our size. This results in a very high cost to the Company and, ultimately, to our equity investors. These costs may be reduced somewhat in 2005, simply because of better integration of the Section 404 compliance program with the annual financial audit, and moving beyond the high costs of the 2004 learning curve. However, costs will increase if the Commission or the PCAOB establish new requirements or mandate changes to existing rules, particularly if changes are made late in a company's reporting year.

We appreciate this opportunity to share our insights on the current working of the Section 404 compliance process. We hope these comments and other input from the regulated community and the general public will help the Commission strike a better balance between protecting the investor and preserving the viability of companies that undertake the obligations of participating in the securities markets. We believe that it is important to investors as well as the nation's economy as a whole for greater rather than fewer numbers of companies to operate in the public arena.

Sincerely,



Michael J. Knesek
Senior Vice President, Controller and
Principal Accounting Officer