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March 31, 2006

The Honorable Christopher Cox, Chairman  
US Securities and Exchange Commission  
100 F Street, NE  
Washington DC 20549-1070

Re: File Number 265-23

Dear Chairman Cox,

We are writing to express our strong support for the enactment of the draft recommendations of the SEC's Advisory Committee on Smaller Public Companies. The requirements of Section 404 have created a significant burden on our business from both a cost and resource perspective.

Bottomline is a public company with \$100 million of revenue and a market capitalization of \$300 million. Under the recommendations of the Advisory Committee, we would fall within the "small cap" classification. We feel that the Advisory Committee has correctly identified the problems with the existing legislation and has developed an appropriate solution to alleviate some of the 404 burden for smaller companies.

One of the most troubling aspects of Section 404 for companies like Bottomline is the significant cost of compliance. Incremental internal staff as well as expensive audit firm services have consumed valuable operating capital. Money is being spent on 404 compliance instead of on research and development and more efficient information technology that enhances our competitiveness in a global marketplace.

However, the challenge with 404 is not limited solely to the high cost of compliance. Another area of concern with Section 404 is the disproportionate amount of time our senior management team spends on compliance procedures. This time and energy should be focused on innovation and growth strategies that will lead to additional job development and shareholder return.

We are asking for your support of the recommendations of the Advisory Committee to help reshape and change the Section 404 aspect of the Sarbanes Oxley legislation which, by all accounts, is not currently working as it was originally intended.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads 'Joe Mullen'.

Joseph L. Mullen  
Chief Executive Officer

A handwritten signature in black ink that reads 'Kevin M. Donovan'.

Kevin M. Donovan  
Chief Financial Officer