

January 20, 2006

Ms. Nancy Morris
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-9303

**Reporting on Whether a Previously Reported
Material Weakness Continues to Exist
Commission File No. PCAOB-2005-01**

Dear Ms. Morris:

Ernst & Young LLP is pleased to respond to the Securities and Exchange Commission's (the "Commission") request for comment regarding the filing of the proposed rule on the Public Company Accounting Oversight Board's ("PCAOB") Auditing Standard No. 4, *Reporting on Whether a Previously Reported Material Weakness Continues to Exist* ("AS 4" or the "Standard").

In general, as we expressed to the PCAOB in our May 16, 2005 comment letter on the proposed standard, we have concerns regarding an auditor's issuance of interim reports on narrow aspects of a company's overall internal control over financial reporting. Internal control is dynamic and changes over time. Accordingly, at the same time that a previously identified material weakness is eliminated, it is possible that other controls might no longer be operating effectively. We have significant reservations regarding the possibility of misinterpretations if auditors provide reports with positive assurance at interim dates when an integrated audit has not been performed.

Notwithstanding these general reservations, we recognize that there may be circumstances in which issuers, investors and other capital market participants may benefit from timely, positive assurance from independent auditors on the elimination of a previously reported material weakness, rather than having to wait until the following year's 404 reports for such assurance. In light of the potential demand for such services and our profession's public interest obligation to the capital markets, we support adoption of the rule despite reservations. We continue to emphasize the need for a clear recognition by all capital market participants of the narrow, targeted scope of any such reports.

Specific Issues on which the Commission Seeks Comment

1. Are there unnecessary impediments to management's use of AS 4? Will it be used? What are the ways AS 4 should be changed, if any, to encourage appropriate use by management?

We believe that issuers will rarely engage auditors to report on the elimination of a material weakness pursuant to the Standard. Where such engagements occur, we believe that the requirements of the Standard are appropriate.

2. Under AS 4, management is permitted to select the date for its assertion that a material weakness no longer exists. Is it clear that such date may fall outside of the quarterly review period?

We support the requirement in the Standard that management assert that a material weakness has been eliminated as of a specific reporting date, and the auditor should similarly opine on the elimination of the material weakness as of that same date. We believe the Standard makes it clear that such date need not be at quarter-end.

We would be pleased to discuss our comments with the Commission or its staff at your convenience.

Very truly yours,

Ernst & Young LLP