



Nancy M. Morris, Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

September 6, 2006

Ms. Morris,

I am responding to your request for comments regarding release number 33-8731 (File No. S7-06-03). LaCrosse Footwear, Inc. is a non-accelerated filer with approximately \$100 million in revenue each year and would be affected by the proposed amendments referred to above. We have the following comments:

1. We believe the delay of the deadline for auditor's attestation report over internal control for one year is appropriate. Small companies such as ours have limited resources to devote to implementation of Section 404. Allowing an extra year for implementation will reduce our internal costs and also provide for a more organized and thorough evaluation to present to our independent auditors, which we anticipate will also reduce their fees.
2. Small public companies such as ours will incur a disproportionate share of costs to implement Section 404. Even without the 2007 auditor fees and our fully dedicated employee we hired to manage our 404 compliance work, we anticipate incremental implementation costs to approach \$250,000 (0.25% of revenue), which is well above the 0.16% of revenue average for companies with \$75-\$750 million in revenue, as reported by CRA International in their Sarbanes Oxley Section 404: Costs and Implementation Issues, Spring 2006 Update.
3. We believe the proposal to deem management's report in year 1 as "furnished" is appropriate. We intend to consult with our auditors during implementation, but many decisions are judgmental in nature and could be contested by our auditors in year 2.
4. While an independent audit report on internal controls would certainly reduce the risk of missing a material weakness in internal controls, the additional costs associated with that audit do not create a significant risk reduction, especially given the cost involved. We have always maintained an effective system of internal controls and the additional costs associated with an audit would not provide a positive benefit/cost ratio to our shareholders.
5. We believe that the scope and application of Sarbanes Oxley Section 404 should be re-directed. Senior management's "tone at the top" has been responsible for all significant investor frauds (and subsequent shareholder losses) identified over the past decade. However, the proposed remedy to this risk (Section 404) has companies focused on process level controls, not detection of fraud by senior management. Normal (external) auditing procedures should identify and cause companies to correct process level errors. Section 404 should be revised to focus



more directly on the “tone at the top” of senior management. Under the current guidance, shareholder value (in the form of implementation costs) is being wasted on less significant risks. Thus, we believe both management’s and the independent auditor’s reports over internal control under the current structure do not provide meaningful disclosure to investors, nor does it necessarily create a more reliable control environment to prevent the issuance of misleading financial statements.

6. Lastly, we believe that COSO statements and guidance should be provided to public companies free of charge. We should not be held accountable for standards that are issued and are referred to in SEC filings, but are only available at additional cost.

Thank you for your consideration of our comments.

Sincerely,

David Carlson  
Executive Vice President and Chief Financial Officer  
LaCrosse Footwear, Inc.  
17634 NE Airport Way  
Portland, OR 97230