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October 31, 2005

Mr. Jonathan G. Katz

Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-9303

Re: Revisions to Accelerated Filer Definition and Accelerated Deadlines for Filing Periodic Reports, Release Nos. 33-8617; 34-52491

File No. S7-08-05

Dear Mr. Katz:

Deloitte & Touche LLP is pleased to respond to the Securities and Exchange Commission's (the "Commission") request for comments on its proposed rule regarding Accelerated Filer Definition and Accelerated Deadlines for Filing Periodic Reports, Release Nos. 33-8617 and 34-52491 (the "Rule Proposal").

I. Introduction

We applaud the Commission's efforts to reconsider the final phase-in of the accelerated filing deadlines for periodic reports scheduled to occur in 2006. We support the approach of the Rule Proposal to limit further acceleration of current filing deadlines for Form 10-K, to retain the current Form 10-Q deadlines, and to ease exiting from accelerated filer status. However, for the reasons discussed below, we recommend that the Commission permanently delay any additional acceleration of the current periodic report filing deadlines. If the Commission does not permanently delay further acceleration, we believe the Commission should defer any acceleration for one additional year during which time the Commission should further study whether and how the deadlines should be accelerated. If the Commission does accelerate the deadlines for Form 10-K as proposed for large accelerated filers with a market value of $700 million or more, we believe the Commission should consider raising this threshold to a significantly higher level.

II. Recommendations

1. Permanently Delay Further Acceleration

We believe that the Commission should permanently delay any further acceleration. Now that we have seen the initial application of Section 404 of the Sarbanes-Oxley Act of 2002 ("Section 404") we believe the implementation of the any additional acceleration of filing deadlines would diminish the quality of disclosures and result in increased and unnecessary costs, while not providing significant corresponding benefit to investors. Significant practical issues impede compliance with the further acceleration of due dates. Shortening the filing period serves to provide more timely information to investors, but it is evident that further shortening the deadline also will place additional pressure on public company management, legal counsel, financial reporting staff, and audit committees, in addition to the time constraints placed on the independent auditor. We believe the Commission's current focus on providing quality disclosures demanded by the market and investors is paramount and should not be sacrificed for accelerated timing.

Practical Constraints and Quality of Disclosures

We believe that the quality and breadth of disclosures may be reduced by the significant practical issues of further acceleration of due dates. The technology available to most companies today allows for rapid accumulation and communication of vast amounts of financial data. However, technology has not meaningfully reduced the time required to perform the thoughtful, reflective, and judicious analyses that are necessary to prepare meaningful disclosures about the data. In fact, we believe the time needed to prepare the disclosures required in periodic reports has increased. While certain disclosures may be benefited by new information technology, such as market risk disclosure and option valuations that are computed using complex computer models, most disclosure results from an in-depth analysis and review of events by management. Investors benefit most from reports that include high quality analysis, beyond the inclusion of a high quantity of data.

Consistent with the Commission's message to "get it right the first time," companies, audit committees and their outside advisors and independent accountants are spending more time ensuring that the internal controls are appropriately documented and functioning and that the company's accounting is sound and its disclosures complete. Notwithstanding the desire for quality financial statements, there continues to be the real possibility that errors will go undetected or disclosures will be omitted in the effort to complete procedures so that filings are made by an even shorter deadline.

We expect that year two of Section 404 compliance will be much more effective and efficient than year one for the accelerated filers, in part as a result of the May 16 guidance. Nevertheless, we believe the time intensive processes required for issuers and auditors to fulfill their reporting responsibilities requires the time allowed under the current rules prior to any further acceleration of due dates. Shortening this timetable may risk creating an unintended consequence of sacrificing quality for timeliness.

Improvements in Access to Timely Information

Recent changes in the rules concerning Current Reports on Form 8-K has had a positive impact on the extent of information that registrants provide to the markets. We have observed that the annual average number of Current Reports on Form 8-K per accelerated filer has more then doubled since 2002, the year the Commission proposed and approved the rule regarding Acceleration of Periodic Report Filing Dates, from approximately 5 per accelerated filer to almost 11 in 2004. Furthermore, the acceleration of the Form 8-K requirement to four business days after the occurrence of an event that triggers the reporting requirement has enhanced the timeliness of information provided to the market.

Summary

Based on the current filing deadlines and Form 8-K requirements, as well as the positive impact of 404 and other improvements made by the Commission, such as guidance provided on MD&A, we believe investors are obtaining more accurate and timelier information than ever before. Given the potential impact on the quality of disclosures that could result from additional acceleration, we believe the Commission should permanently delay any additional acceleration of the current due dates for interim and annual reports for all filers. We continue to believe that quality must be balanced with timeliness and not sacrificed merely to provide information sooner.

2. Defer For One Year Any Additional Acceleration

If the Commission does not permanently delay further acceleration, we believe the Commission should defer any acceleration for one additional year during which time the Commission should further study whether the deadlines should be accelerated and if so, for issuers of what market value size. The additional year will allow time for companies to complete year 2 of Section 404 compliance and the Commission to gather the appropriate evidence necessary to determine whether additional acceleration is practical and would not unduly sacrifice quality. To evaluate whether 60 days is a reasonable deadline for filing the Form 10-K, the Commission's study should consider how many filers currently file in only 60 days and the market value of these filers. The study should also consider the current number of days needed for issuers of different sizes for closing the accounting records, earnings announcements, preparation of disclosures for periodic reports, and review by senior management, the independent auditor, legal counsel, and the audit committee.

3. Raise the $700 million Market Value Threshold for Large Accelerated Filers

If the Commission does accelerate the deadlines for Form 10-K for this year as proposed, we support the creation of a new category of accelerated filers know as "large accelerated filers" and limiting additional acceleration of Form 10-K to only these large accelerated filers. However, we believe that the Commission should consider raising the proposed $700 million market value threshold for large accelerated filers to a significantly higher level. While we agree with the Commissions' assertion in the Rule Proposal that by virtue of their size, large accelerated filers are more likely than smaller companies to have a well-developed infrastructure and financial reporting resources to support further acceleration of Form 10-K deadlines, we believe that there is a significant difference between the infrastructure and resources of company with a $700 million market value compared to a company with a multi-billion dollar market value. Therefore, we believe that the $700 million market value threshold is too low and any additional acceleration prior to further study should be limited to companies with a market value threshold significantly exceeding $700 million.

III. Other Questions in the Rule Proposal

Form 10-Q

We agree with the Rule Proposal that the due dates for Form 10-Q should remain unchanged from the current 40 days for any category of accelerated filer and 45 days for non-accelerated filers. We do not support further acceleration to 35 days for Form 10-Q for large accelerated filers. We believe additional acceleration of deadlines could be even more problematic for Form 10-Q than Form 10-K.

Although the Form 10-K requires more extensive disclosures and an audit, investors increasing focus on current quarterly information mandates robust, complete quarterly reporting. Every quarter, companies must compare their current results to prior periods, trends, planned performance, competitors' performance and industry benchmarks. If the due date for Form 10-Q is shortened, companies may not have adequate time to make such comparisons, particularly considering that they must wait for competitors' results and industry results to be available in order to provide the valuable competitive information sought after by the market.

Determination Date

The Rule Proposal would retain the current determination date for accelerated filer status based on the market value as of the last business day of the issuer's most recently completed second fiscal quarter. We believe the Commission should consider tying the determination date to a longer period of time to eliminate unnecessary classifications into accelerated filer status from temporary, one-time market capitalization changes and minimize fluctuations in and out of accelerated filer status. For example, the determination date for entering accelerated filer status could be based on exceeding market value thresholds over a number of consecutive quarters or for two consecutive second fiscal quarters over two consecutive fiscal years.

In addition, the Proposed Rule would clarify that public float means the "aggregate worldwide market value" of an issuer's voting and non-voting common equity. We believe that "worldwide market value" should be clearly defined with appropriate guidance on how such amount should be calculated. Examples of the calculation of worldwide market value would be helpful.

Exiting Accelerated Filer Status

We fully support the Proposed Rule's attempt to ease the exiting of accelerated filer status. However, as proposed, the ability to exit accelerated status may still be too restrictive, particularly considering the low thresholds for public float necessary to exit (that is, below $25 million and $75 million for accelerated and large accelerated filers, respectively.) The thresholds to exit a category should be balanced to minimize the fluctuation in and out of accelerated filer status but to relieve smaller companies from the more burdensome accelerated filing deadlines of larger companies. For example, the currently proposed threshold of $25 million to exit accelerated filer status is a 67% decrease in market value from the $75 million market value necessary to qualify for accelerated filer status while the $75 million threshold to exit large accelerated filer status represents a nearly 90% decrease in market value from the $700 million required to qualify for the large accelerated category. The Commission should consider allowing accelerated filers to exit accelerated status if market value falls below the same public float thresholds ultimately required for entry into accelerated filer status; but similar to our recommendation on the determination date for entry into accelerated filer status, the determination date for exit should be made over a longer period of time during which market value falls below the specified thresholds, such as a number of consecutive quarters.

The Commission has asked whether it is appropriate to allow an issuer to exit accelerated filer status only at the end of a fiscal year or immediately with respect to the quarterly reports. We believe that it is reasonable to allow immediate exit from current filer status as opposed to only at the end of a fiscal year. If immediate exit is allowed, we believe that a requirement for reporting such a change on Form 8-K would be appropriate to inform investors about a potential near term change in filing deadlines.

IV. Conclusion

We believe that substantial progress has been made in improving both the timeliness and quality of financial reporting over recent years and that the current deadlines represent an appropriate balance of timeliness and quality. If the Commission does not adopt our recommendation to permanently delay acceleration, we hope our other recommendations discussed above will be considered.

We appreciate the opportunity to comment on the Rule Proposal. We are pleased to discuss these comments with you at your convenience. If you have any questions, please contact Jim Schnurr at 203-761-3539 or Christine Davine at (202) 879-4905.

Very truly yours,

/s/ Deloitte & Touche LLP