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Jonathan G. Katz
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

RE: File Number S7-08-05: Revisions to Accelerated Filer Definition and Accelerated Deadlines For Filing Periodic Reports

Dear Mr. Katz:

We appreciate the opportunity to provide our comments to the Securities and Exchange Commission (the "SEC") on the proposed rule outlined in Release No. 33-8617, "Revisions to Accelerated Filer Definition and Accelerated Deadlines for Filing Periodic Reports."

We commend the SEC's efforts to improve the quality of disclosures and provide information to investors on a timely basis. We also respect the actions that the SEC has taken over the past few years in recognition of the need to balance the market's demand for more timely information with the time that issuers need to prepare accurate information without undue burden. However, now that we have completed the initial implementation of Section 404 of the Sarbanes-Oxley Act of 2002 ("Section 404") we believe that enacting the second phase of the accelerated filing rules could have a detrimental impact on the quality of disclosures and result in increased and unnecessary costs, while not providing commensurate benefits to investors. While shorter deadlines would result in quicker delivery of information to investors, based on our experience, we believe that further shortening the deadline will put undue pressure on management, legal counsel, financial reporting staff, other company personnel involved in Section 404 testing and certifications, as well as our Audit Committee and independent auditors. With an increased focus on the quality and transparency of disclosures, we should not sacrifice quality for mere speed of delivery.

Major steps have been taken to notify investors of major transactions and events on a more timely basis with the changes to the Form 8-K rules that the SEC released in 2004. These new rules increased both the number of reportable events and shortened the filing deadline. As a result, most material transactions and events, changes in auditors, corporate governance practices and management are reported on a Form 8-K within four business days. We believe that tightening the Form 8-K filing deadline has helped the markets by keeping investors informed of significant changes affecting companies. Shortening the filing deadline of the Form 10-K by an additional 15 days, in our view, would not provide incremental benefits to investors that outweigh the costs and related risks.

At JCPenney, we reviewed our closing and consolidation processes and implemented improvements and efficiencies to both processes and systems in order to comply with the current accelerated filing deadlines of 75 days for year-end and 40 days for the quarters. While we have accelerated our closing and consolidation processes, we continue to spend proportionately more time on developing thoughtful and thorough disclosures around management's evaluation of the company's results, sensitivity analysis surrounding estimates, and trends and factors that may impact future results, liquidity or financial position. In addition, there have been and likely will continue to be new disclosure requirements from accounting pronouncements and related interpretations, SEC guidance, e.g. recent enhancements to MD&A disclosures, and other SEC requirements, such as those related to internal control over financial reporting mandated by Section 404. To maintain and continue to improve the quality and transparency of disclosures, with the ultimate goal of elevating confidence of the markets in our financial reporting processes, we believe it would be prudent to maintain the current filing deadlines. At a minimum, we should wait to evaluate efficiencies that may be gained in Year 2 of Section 404 before further reducing the Form 10-K filing requirement.

We do not believe it is appropriate to create a new category of accelerated filers known as "large accelerated filers". As the SEC has stated, while it is true that large companies such as JCPenney are followed by more analysts, we do not have more resources devoted to regulatory compliance and financial reporting just because of that fact, nor should added costs be mandated reducing competitiveness solely because of size. We are committed to excellence in financial reporting because it is the right thing to do. It takes a certain level of qualified resources to ensure quality financial reporting and regulatory compliance regardless of the number of analysts that might follow our company. Also, larger companies tend to have more complex issues and a higher quantity of complicated transactions that require qualified personnel to be involved, usually including some of the same individuals who are involved with the quarterly financial reporting. A company's size should not make the handling of such complex issues riskier by arbitrarily reducing the time available to handle such matters. Keeping the process as simple as possible with one set of deadlines for accelerated filers would best serve the investing public.

For the reasons stated above, we believe that it is appropriate to maintain the current 75-day annual and 40-day quarterly filing deadlines for all accelerated filers. In our view, keeping the current deadlines strikes the appropriate balance between providing information to investors as quickly as reasonably possible without compromising the reliability and integrity of the reports. We appreciate the opportunity to share our thoughts on this important issue. We would be pleased to discuss our comments in greater detail if requested.

Respectfully,

Robert B. Cavanaugh

Executive Vice President and Chief Financial Officer
J. C. Penney Company, Inc.