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September 27, 2004

Mr. Jonathan G. Katz
Secretary
U.S. Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549-0609

Re: File Number S7-32-04, Temporary Postponement of the Final Phase-In Period for Acceleration of Periodic Report Filing Dates

Dear Mr. Katz:

PricewaterhouseCoopers LLP appreciates the opportunity to comment on the Securities and Exchange Commission's (the "Commission") Proposed Rule, *Temporary Postponement of the Final Phase-In Period for Acceleration of Periodic Report Filing Dates* (the "proposed rule").

Consistent with the August 3, 2004 letter to the Chief Accountant, signed by Deloitte & Touche LLP, KPMG LLP, Ernst & Young LLP and us, we support the Commission's approval of the proposed rule to delay the phase-in period of the filing deadlines for annual and quarterly reports for one additional year. We have provided our answers to the Commission's detailed questions in the attachment to this letter.

We appreciate the opportunity to express our views and would be pleased to discuss our comments or answer any questions that the staff may have. Please do not hesitate to contact Jay P. Hartig (973-236-7248) regarding our submission.

Sincerely,

PricewaterhouseCoopers LLP

Attachment

Is it appropriate to postpone the final phase-in period of the accelerated filing deadlines? If so, is the length of the proposed postponement appropriate, or should it be shorter or longer?

We believe that a one year delay of the phase-in of the accelerated filing deadlines is appropriate and necessary to address the challenges resulting from the combined effect of the accelerated filing deadlines and the internal control reporting requirements under Section 404 of the Sarbanes-Oxley Act of 2002 ("Section 404"). The one year postponement will be particularly helpful to registrants as they prepare to satisfy the requirements for Section 404 for the first time. Many registrants and auditors have found that the efforts required to complete the Section 404 assessments have been underestimated. Without a delay in the accelerated filing dates, preparers may not have sufficient time to both carefully and thoroughly complete internal control assessments and also fulfill financial reporting requirements, potentially resulting in a serious negative impact on the overall quality of financial reporting.

Would a postponed phase-in period benefit investors by helping to ensure the quality and accuracy of the information included by companies in their periodic reports? Would it disadvantage investors in any significant respect?

The purpose of the phase-in of the accelerated filing dates is to balance the market's need for more timely financial information with the abilities of the preparer community to produce quality financial information without undue burden. Our interactions with clients have indicated that the efforts required under Section 404 has placed unanticipated demands on registrants. For many companies, the level of effort and cost to comply with Section 404 has greatly exceeded their original estimates.

We believe that the benefit of providing registrants with an additional 15 days for filing the upcoming year's annual report will more than offset the potential disadvantages resulting from the delay in providing investors with financial information. We believe that registrants and investors will benefit by having additional time to ensure quality financial reporting, to provide transparent, relevant disclosures in filings, and to complete the required 404 reporting. In addition, investors will receive the audited financial statements within the same time period as last year, which had been accelerated from 90 days to 75 days.

Should we postpone the final phase-in of the accelerated filing deadlines for both annual and quarterly reports or only for annual reports given that management's internal control report must appear only in the annual report? Does the required disclosure about material changes to a company's internal control over financial reporting that must appear in the quarterly report warrant a postponement of the accelerated filing deadlines for quarterly reports?

We believe that the Commission should defer the accelerated filing deadlines for both annual and quarterly filings. As indicated in the Commission's final rule, *Acceleration of Periodic Report Filing Dates and Disclosure Concerning Website Access to Reports*, the majority of commenters indicated a greater ability to report within an accelerated time-frame at year-end than to report within an accelerated timeframe at quarter-end. As a result of management's focus on the effectiveness of its internal controls for compliance with Section 404, many companies have not had sufficient time to focus on enhancing the efficiency of their quarterly closing processes to allow for a further acceleration of filing deadlines. An additional 5-day acceleration of the due date is significant when considering the current 40-day deadline. Additionally, a quarterly critical evaluation by management of changes in internal control will be very useful to financial-statement users in monitoring changes in a company's internal controls. We believe that an additional five days for quarterly reports filed this year, as proposed, will help provide management with necessary additional time to further refine its processes for this evaluation, hold necessary

discussions with its legal counsel, audit committee, external auditor, business-unit management, and other involved parties, and develop the appropriate disclosures.

Should we provide for an extension of the filing deadlines only for accelerated filers that request an extension, for example, by providing for an extension upon the filing of a Form 12b-25 under the Exchange Act? Should we only provide an extension of the filing deadlines only to certain companies such as those that demonstrate a need for the extension? If so, what would be the best method for companies to communicate their request for an extension?

We believe that the accelerated filing deadlines should be postponed for one year for all accelerated filers. We do not believe that accelerated filers should have to request an extension of the filing deadline by filing a Form 12b-25 since this would create an unnecessary administrative burden for both the registrant and the Commission. We believe that a more appropriate approach is to provide the postponement for one year for all accelerated filers since any registrant that chooses to file earlier than the due date may do so on its own initiative, and we expect several registrants will file in accordance with the original due dates.