March 11, 2005

Via Facsimile and Electronic Mail

The Honorable William H. Donaldson
Chairman
U.S. Securities and Exchange Commission
450 Fifth Street, N.W.
Room 6000
Washington, DC 20549


Dear Chairman Donaldson:

We are writing to comment on the U.S. Securities and Exchange Commission’s (SEC) recent notice1 extending the compliance dates for its rule implementing Section 404 of the Sarbanes Oxley Act of 2002. The notice extended the first compliance cycle for Section 404’s certification requirements for non-accelerated filers from the first fiscal year ending on or after July 15, 2005 to the first fiscal year ending on or after July 15, 2006.3 The Office of Advocacy4 would like to take this opportunity to thank the SEC for allowing additional time for small businesses to determine how to comply with the Section 404 rule and for establishing the SEC Advisory Committee on Smaller Public Companies to consider the effects of the Sarbanes Oxley Act rules on small business and entrepreneurship.

3 70 Fed. Reg. at 11528.
The Office of Advocacy applauds the extensive efforts you have taken to set up the SEC Advisory Committee on Smaller Public Companies. The Office of Advocacy believes that the advisory committee will ensure that small business concerns are considered in the SEC’s rulemaking process. In particular, the Office of Advocacy appreciates the efforts of Alan Beller, the Director of the Division of Corporation Finance, Gerald LaPorte, the Chief of the SEC’s Office of Small Business Policy, and Don Nicolaisen, the SEC’s Chief Accountant, for ensuring that smaller public companies have a chance to contribute to the rulemaking process.

The Office of Advocacy looks forward to working closely with the SEC and its Advisory Committee on Smaller Public Companies. Please do not hesitate to contact Michael See for additional information on my office or our involvement on SEC regulatory issues at (202) 619-0312 or Michael.See@sba.gov.

Sincerely,

/s

Thomas M. Sullivan
Chief Counsel for Advocacy

/s

Michael R. See
Assistant Chief Counsel