

February 19, 2007

Securities and Exchange Commission
110 F Street, NE
Washington, DC 20549-1090

Re: File Number S7-24-06

To Whom It May Concern:

First off, thank you for the opportunity for to comment on this proposed rule. In this letter I would like to comment on some aspects of the proposed rule and some questions that were raised when reading it over.

The cost vs. benefit point has been brought up by many people before me, and I do believe that this is an issue that some companies will be facing.

The text recognizes "small companies" but also states that, "We believe companies of all sizes and complexities will be able to implement our rules effectively and efficiently" (pg. 17). Much of the text refers to how the system will be implemented in big companies, but guidance and examples for small companies are very few.

I would like to know at what point does a company transition from being a "small company" to a "big company." Another point that could be addressed was the definition of material in the text. To me, materiality was not clearly defined within the text of the proposed rule.

Also, there were some instances where I found the language to be somewhat ambiguous. For example, on page 56 the line reads:

"By encouraging managers to rely on guidance that is less prescriptive and better aligned with the objectives of Section 404, the proposed rule should reduce management's effort relative to current practice under existing auditing standards."

These lines sound as if they are encouraging managers to reduce their efforts towards maintaining effective internal controls.

Another example of somewhat ambiguous language that might need a little more clarification is the sentence at the bottom of page 51 that starts with "The proposed amendments would be similar to a non-exclusive safe-harbor..." The meaning is oblique at best.

The suggestion on disclosing the nature of any material weaknesses, the impact on financial reporting and the control environment, and management's current plan for remediating the weaknesses is commendable. By incorporating

this, information about material weaknesses in ICFR are brought into public view, making the public a little more aware of the issues within the company.

Sincerely,

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