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Mr. Donald T. Nicolaisen
Chief Accountant
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Dear Mr. Nicolaisen:

In our letter dated July 28, 2004, Deloitte & Touche LLP requested that the Securities and Exchange Commission's (the "Commission") staff recommend that the Commission delay the implementation of the second phase of its rule regarding Acceleration of Periodic Report Filing Dates ("the Acceleration Rule") for a period of twelve months, making it applicable for fiscal years ending after December 15, 2005. We now request that the staff recommend that the Commission permanently delay the second phase of the Acceleration Rule.

Introduction

We applaud the Commission's efforts to provide the markets with access to information that is clear, accurate, and timely. However, 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 second phase of the acceleration rule 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 places 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 complying with this rule. 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 in the effort to complete procedures so that filings are made by the even shorter deadlines.

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. 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 Acceleration Rule, 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.

Conclusion

Given the potential impact on the quality of disclosures and the markets access to timely information resulting from other improvements made by the Commission, we believe the staff should propose that the Commission permanently delay the acceleration of the current due dates for interim and annual reports. We continue to believe that quality must be balanced with timeliness and not sacrificed merely to provide information sooner.

If you have any questions, please contact me at (212) 492-4800 or Robert Kueppers at (203) 761-3579.

Very truly yours,

James H. Quigley

cc: Chairman Christopher Cox
Commissioner Paul S. Atkins
Commissioner Roel C. Campos
Commissioner Cynthia A. Glassman
Commissioner Annette L. Nazareth