



September 11, 2006

Ms. Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

RE: File Number S7-06-03

Dear Ms. Morris:

I am submitting this letter in response to a request for comments by the Commission in Release No. 33-8731; 34-54295, Internal Control Over Financial Reporting in Exchange Act Periodic Reports of Non-Accelerated Filers and Newly Public Companies (the "Release"), which proposes to further extend the compliance dates for the internal control requirements mandated by Section 404 of the Sarbanes-Oxley Act of 2002 ("Act") for smaller public companies.

I concur in the Commission's proposal to further postpone the compliance dates for non-accelerated filers to provide management's report on internal control over financial reporting and the auditor's attestation report on internal control over financial reporting. I join in the recommendations of Mr. Jon Pexton, Vice President, Finance & Accounting, Callidus Software Inc.; Mr. Kurt R. Gustavel, President and COO of Idaho Independent Bank; Mr. Matthew E. Wilkinson, Corporate controller, Calix Networks, Inc.; and Mr. Matthew J. Flanigan, President, Telecommunications Industry Association.

Core-Mark, likely with other Non-Accelerated or newly public companies that anticipate moving to Accelerated filer status on or prior to December 31, 2006, is nearly complete with its Section 404 internal preparations. We have also commenced working with our external auditors as this is the year they are scheduled to attest to our compliance with Section 404. The deferral of the compliance dates for internal control requirements would still be of large economic value as it would reduce the heavy burden of the external auditor's attestation costs, estimated at \$1.5 -2.0 million plus the cost of external advisors and temporary staff which is estimated at \$2.0 – 2.5 million, each for the second half of 2006 alone.

These large costs are also indicative of the amount of management time distracted from managing the actual business shareholders invested in. The time required to take a company public is extensive, and to add needing to be fully Section 404 compliant by the second Form 10-K (which can be as little as 13 months later, which is the case for Core-Mark) is simply insufficient to perform the tasks in an economically reasonable manner. It can be done, but at a great cost.

Mr. Pexton's comment "Until the announced actions undertaken by the Commission and the PCAOB are complete, relief should be afforded to all public companies that have not yet had to comply with the requirements for Section 404" is directly on point. Further, Mr. Wilkinson's responses related to newly public companies requiring a second year are also highly constructive and reflective of the situation smaller and newly public companies face.

It is my recommendation that the Commission:

1. Clarify that companies which become accelerated filers for the first time on December 31, 2006 (or that are not accelerated filers as of a specified earlier date, such as June 30, 2006) are eligible for the deferral,
2. Provide that newly public companies will be allowed deferrals for the first two Form 10-K's filed, and
3. Issue the revised rules as soon as possible after the comment period due to the rapid expenditure of funds for activities that the Commission itself has expressed concern about not being of value to shareholders.

Thank you for the opportunity to comment on these important areas.

Sincerely,

A handwritten signature in black ink, appearing to read "James Wall", written in a cursive style.

James Wall
Senior Vice President & Chief Financial Officer
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South San Francisco, California 94080