



February 26, 2008

*Via Electronic Mail*

The Honorable Christopher Cox, Chairman  
U.S. Securities and Exchange Commission  
Attn: Nancy M. Morris, Secretary  
100 F Street, NE  
Washington, D.C. 20549  
e-address: [rule-comments@sec.gov](mailto:rule-comments@sec.gov)

**Re: Internal Control Over Financial Reporting in Exchange Act Periodic Reports of Non-Accelerated Filers (SEC File No. S7-06-03)**

Dear Chairman Cox:

The Small Business & Entrepreneurship Council (SBE Council) is pleased to have the opportunity to comment on the Securities and Exchange Commission (SEC) proposal to delay for an additional year the implementation of Section 404(b) of the Sarbanes-Oxley (SOX) Act of 2002 for non-accelerated filers. We are also pleased to provide comments regarding the SOX Section 404 cost-benefit study that will be undertaken by the SEC. We applaud and appreciate these important steps to help small firms.

As outlined in previous comments filed by SBE Council, SOX compliance costs for small public companies are significant. SBE Council additionally reported that “going public” was (and continues to be) cost prohibitive and too risky for our members – thus, they are being cut off from an important source of growth capital. For these reasons, SBE Council is supportive of initiatives -- such as the comprehensive study being proposed -- that will hopefully identify and reduce unnecessary costs for companies. We strongly believe that it is possible to vastly streamline reporting, and reduce compliance costs without undercutting investor protections.

The method by which the SEC proposes to conduct its comprehensive study will not only help to shed light on both real and hidden costs (for example, potential exposure to litigation), but SBE Council believes it can serve as a model for other agencies that wish to conduct -- or are required to conduct – regulatory cost-benefit analysis.

Our chief concern with the study and the one-year extension relate to time. We believe that a comprehensive and rigorous study requires sufficient time for planning, execution

and analysis. Therefore, the one-year extension may need to be extended again to accommodate the tight (and perhaps unrealistic) deadline for the study, and perhaps follow on proposals that impact non-accelerated filers. SBE Council therefore recommends a longer extension (2 years) to help facilitate a sound study, a proper analysis of the results, followed by (perhaps) the proposed course of action for non-accelerated filers.

SBE Council appreciates the opportunity to comment on the SEC's proposal to delay implementation of Section 404(b) of SOX for non-accelerated filers, as well as the important initiative to study SOX 404.

Please do not hesitate to contact SBE Council if we can be of assistance, or if you have questions about our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Karen Kerrigan". The signature is fluid and cursive, with a long horizontal stroke at the end.

Karen Kerrigan  
President & CEO

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