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September 17, 2007

Ms. Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

RE: File Number S7-15-07, *Smaller Reporting Company Regulatory Relief and Simplification*

Dear Ms. Morris:

PricewaterhouseCoopers LLP appreciates the opportunity to respond to the Securities and Exchange Commission's (the "Commission") proposed rule amendments regarding *Smaller Reporting Company Regulatory Relief and Simplification.* We support the Commission's objective to simplify disclosure and reporting requirements for smaller companies and to extend the benefits currently available to small business issuers to a larger group of issuers.

We have specifically addressed several of the questions raised by the Commission in the following paragraphs.

- **Should the definition of smaller reporting company include tests based on both public float and revenue? Should the definition contain only a revenue test, rather than the proposed public float test? If the definition contained a revenue test, should the standard be $50 million, $75 million, $100 million, or some other amount? Please explain in detail and provide a reasoned basis for your views.**

  We support the Commission's proposal to define smaller reporting companies based on (1) a public float test *or* (2) a revenue test, if the company does not have public float or is unable to calculate it.

  The use of a $75 million public float test, without regard to revenue, is consistent with the test to determine accelerated filer status, which is well established and clearly understood. As a result, it would appear that using the same threshold to define smaller reporting companies reduces complexity.

We understand that under the current proposal, the revenue test would be applied only in the event that the issuer had no public float. Accordingly, there are a significant number of debt issuers with no public float that will continue to comply with existing Regulation S-K reporting requirements, which will satisfy the information needs of the users of their financial statements.

We do not have empirical evidence to suggest that there are a significant number of comparatively larger companies with substantial revenue levels but only *de minimis* public float who would now be able to report using the more limited disclosure requirements for smaller reporting companies. We suggest that the Commission consider whether adding a revenue threshold for companies with *de minimis* public float would be in the best interest of investors based on this data.

- **Should a system of scaled or proportional regulation be made available to companies in the lowest 1% of total U.S. market capitalization (less than $128 million as of March 31, 2005) or the lowest 6% of total U.S. market capitalization ($787 million as of March 31, 2005), as suggested by the Advisory Committee?**

  Consistent with our previous comments to the Commission on the Advisory Committee's recommendations, we do not support increasing the level of scaled regulation for companies with over $75 million in public float. Adding additional layers of scaled regulation creates unnecessary complexity and reduces comparability of financial results among companies.

  Because smaller companies typically do not have a large analyst following, financial information provided by the issuer takes on greater importance in communicating results to investors. We would therefore not be supportive of allowing scaled regulation for a population of issuers larger than those identified as smaller reporting companies.

- **Is it appropriate to permit all non-U.S. companies to qualify for smaller reporting company status?**

  We support the Commission's proposal to allow all non-U.S. companies, including foreign private issuers and other foreign issuers, to qualify for smaller reporting company status.

  We do not agree with the proposed requirement that smaller reporting companies be required to apply U.S. GAAP. Under current SEC regulations (e.g., 4-01(a)(2) of Regulation S-X), foreign private issuers may choose to utilize domestic forms using a comprehensive body of accounting principles other than those generally accepted in the United States, reconciled to U.S. GAAP. Although not common, there are a number of existing foreign private issuers that have elected to do so. We do not believe the proposal should establish a requirement for smaller public companies that is more burdensome than that required for other foreign private issuers.

- **Assuming we should revise Regulation S-B, should we do so in some way other than integrating its substantive provisions into Regulation S-K? Please be as specific as possible with your comments.**

  We support the Commission's proposal to the incorporate Regulation S-B into Regulation S-K. Combining the two regulations allows smaller reporting companies to more easily evaluate the extent of the differences and consider whether they would elect to provide the more robust S-K disclosures.

- **The Advisory Committee believed that a second year of audited balance sheet data would provide investors with a basis for comparison with the current period, without substantially increasing audit costs. Should we consider following the Advisory Committee recommendation to require smaller reporting companies to provide two years of audited balance sheet data in annual reports and registration statements?**

  We agree with the Advisory Committee's recommendation. Comparable balance sheets are in the interest of investors and should require minimal incremental cost or effort on the part of preparers.

- **Should the Commission adopt the a la carte approach, allowing smaller reporting companies to take advantage of the adjusted disclosure requirements available to them on an item-by-item basis?**

  We support the Committee's proposal to allow smaller reporting companies to comply with the more rigorous reporting requirements for larger companies on an item-by-item basis. We also agree with the requirement that smaller reporting companies provide their financial statements on the same basis for the entire fiscal year. The a la carte approach will allow smaller reporting companies to provide additional information where they determine it to be useful to investors.

  We also believe that if a smaller reporting company elects to provide additional disclosures beyond those required, this information should be subject to SEC staff review. While we do not intend to discourage issuers from providing additional information and are not suggesting line item compliance with larger issuer rules, we agree that the SEC staff should review the disclosures to ensure that they are clear and are not misleading.

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We appreciate the opportunity to express our views and would be pleased to discuss our comments or answer any questions that the SEC staff or the Commission may have. Please do not hesitate to contact Vincent Colman (973-236-5390) or Steve Meisel (973-236-4407) regarding our submission.

Sincerely,

PricewaterhouseCoopers LLC