NEENAH PAPER INC

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I want to thank you for the opportunity to comment on the SEC's Interpretive Guidance on Management's Internal Control Evaluation. I have included responses below for most of the suggested questions (see "NP Response:" following each question) or requested comment areas as well as some general comments.

The interpretive guidance as proposed and/or in the final form will be a great tool for companies to use in determining the appropriate level of effort needed to support their evaluation without having to rely on restrictive audit standards. Until the PCAOB final audit standard is published though management will not be able to determine all the possible benefits from their valuation plans but with a swift completion and publication by the SEC of their final interpretive guidance the majority of management's evaluation processes can be developed and implemented to gain the most benefit and as early as possible for the current year.

I would recommend that since the SEC will have approval of the final audit standard(s) from the PCAOB that areas which are too restrictive or in conflict with the SEC interpretive guidance that those areas of conflicts be identified and changes made as deemed necessary to ensure the two are properly aligned.

Below are responses provided for select published questions and/or requested comment areas.

1. Will the proposed interpretive guidance be helpful to management in completing its annual evaluation process? Does the proposed guidance allow for management to conduct an efficient and effective evaluation? If not, why not?

NP Response: Yes, and the guidance provides enough examples but without being too specific as to allow flexibility based on a company's particular circumstances.

2. Are there particular areas within the proposed interpretive guidance where further clarification is needed? If yes, what clarification is necessary?

NP Response: Yes, on page 37 in the reference to "evidence from a reasonable period of time during the year, including the fiscal year-end" it would be helpful to add at the end of the sentence "or as near to fiscal year-end as reasonably possible". This would allow some flexibility such that a control tested through eleven months as an example may not always need to include the actual final month depending on the control or account in question. Also on page 36 it may be helpful to point out that reliance on self-assessment procedures in support of management's assessment may not necessarily be able to be relied upon by the auditor depending on the final version of the PCAOB proposed audit standard on using the work of others.

3. Are there aspects of management's annual evaluation process that have not been addressed by the proposed interpretive guidance that commenters believe should be addressed by the Commission? If so, what are those areas and what type of guidance would be beneficial?

NP Response: none

4. Do the topics addressed in the existing staff guidance (May 2005 Staff Guidance and Frequently Asked Questions (revised October 6, 2004)) continue to be relevant or should such guidance be retracted? If yes, which topics should be kept or retracted?

NP Response: One topic which the guidance does not address is the option to exclude from the scope of management's assessment operations acquired during the current year as mentioned in the June 2004 FAQ from the SEC Chief Accountant. The SEC's Interpretive Guidance on Management's Internal Control Evaluation already includes the May 2005 FAQ mention of the top down and risk base approach which has had the greatest impact in the previous year to obtain compliance efficiencies and reduce costs so it should remain.

5. Will the proposed guidance require unnecessary changes to evaluation processes that companies have already established? If yes, please describe.

NP Response: Yes but the changes should be a positive one which would drive for more efficient processes and cost savings but if so desired companies can continue to use established processes as they should still meet compliance requirements.

6. Considering the PCAOB's proposed new auditing standards, An Audit of Internal Control Over Financial Reporting that is Integrated with an Audit of Financial Statements and Considering and Using the Work of Others In an Audit, are there any areas of incompatibility that limit the effectiveness or efficiency of an evaluation conducted in accordance with the proposed guidance? If so, what are those areas and how would you propose to resolve the incompatibility?

NP Response: Yes, PCAOB's proposed new auditing standard "Considering and Using the Work of Others In an Audit" contains language which will be more restrictive on the individuals auditors will rely upon their work as opposed to management who may elect to use internal self assessment procedures and other ongoing monitoring activities. I would propose a communication to the PCAOB requesting that their final standard on using the work of others not be too restrictive but still address inclusion of assessment of an individual's objectivity and competence.

7. Are there any definitions included in the proposed interpretive guidance that are confusing or inappropriate and how would you change the definitions so identified?

NP Response: none noted.

8. Will the guidance for disclosures about material weaknesses result in sufficient information to investors and if not, how would you change the guidance?

NP Response: Yes, I do believe the disclosures about material weaknesses would result in sufficient information to investors.

9. Should the guidance be issued as an interpretation or should it, or any part, be codified as a Commission rule?

NP Response: The guidance should be issued as an interpretation since many companies with established compliance procedures already in place over multiple locations and countries and which may include implemented software packages may wish not to elect to change to meet current guidance. Issuing as an interpretation will allow management more flexibility in implementation which best fits their size company and complexity.

10. Are there any considerations unique to the evaluation of ICFR by a foreign private issuer that should be addressed in the guidance? If yes, what are they?

NP Response: none noted.

11. Should compliance with the interpretive guidance, if issued in final form, be voluntary, as proposed, or mandatory?

NP Response: Compliance with the interpretive guidance should be voluntary as to provide flexibility to tailor compliance efforts to meet the needs of a company's particular needs and situations.

12. Is it necessary or useful to amend the rules if the proposed interpretive guidance is issued in final form, or are rule revisions unnecessary?

NP Response: Rule revisions may be necessary in order to avoid conflicts with the final interpretive guidance and the final audit standard(s) from the PCAOB.

13. Should the rules be amended in a different manner in view of the proposed interpretive guidance?

NP Response: No.

14. Is it appropriate to provide the proposed assurance in Rules 13a-15 and 15d-15 that an evaluation conducted in accordance with the interpretive guidance will satisfy the evaluation requirement in the rules?

NP Response: No, I do not believe it is necessary to provide the proposed assurance (see p. 51) as using the proposed interpretive guidance is not mandatory or the only way to conduct an evaluation of the effectiveness of ICFR. The Rules address the requirement to evaluate the effectiveness as of each fiscal year of the issuer's ICFR and any method to be used should not be included in the rule. Final publication of the final interpretive guidance will be a sufficient tool for management to use all or parts as best fits their company's circumstances.

15. Does the proposed revision offer too much or too little assurance to management that it is conducting a satisfactory evaluation if it complies with the interpretive guidance?

NP Response: My opinion is that assurance should be based on adherence to the two broad principles provided (pp. 16-17) that (1) "management should evaluate the design of the controls . . ." and (2) "management's evaluation of evidence . . . . should be based on its assessment of risk" and not on any method used. This would then allow management flexibility to tailor the method used to fit the size and complexity of their particular company.

16. Are the proposed revisions to Exchange Act Rules 13a-15(c) and 15d-15(c) sufficiently clear that management can conduct its evaluation using methods that differ from our interpretive guidance?

NP Response: Yes but also note response above to question # 14.

17. Do the proposed revisions to Rules 1-02(a) (2) and 2-02(f) of Regulation S-X effectively communicate the auditor's responsibility? Would another formulation better convey the auditor's role with respect to management's assessment and/or the auditor's reporting obligation?

NP Response: The proposed wording change in 1-02(a)(2) "as to whether the registrant maintained" only infers that the auditor now focuses on the effectiveness of the internal controls themselves rather than on management's assessment process as inferred in the current wording "concerning management's assessment". The proposed wording change in 2-02(f) "indicate that the accountant has audited management's assessment" I believe still can be interpreted that the auditor is auditing management's assessment process as it is only inferred that the opinion is on the effectiveness of the controls themselves by the proposed wording "the registrant maintained". I believe the wording for both these sections should be strengthened to add clarity that the auditor's opinion is on management's stated result of their assessment that the controls are effective and not the assessment process.

18. Should we consider changes to other definitions or rules in light of these proposed revisions?

NP Response: None noted.

19. The proposed revision to Rule 2-02(f) highlights that disclaimers by the auditor would only be appropriate in the rare circumstance of a scope limitation. Does this adequately convey the narrow circumstances under which an auditor may disclaim an opinion under our proposed rule? Would another formulation provide better guidance to auditors?

NP Response: Yes.

20. We request comment on the nature of the costs and benefits of the proposed amendments, including the likely responses of public companies and auditors concerning the introduction of new management guidance. We seek evidentiary support for the conclusions on the nature and magnitude of those costs and benefits, including data to quantify the costs and the value of the benefits described above. We seek estimates of these costs and benefits, as well as any costs and benefits not already identified, that may result from the adoption of these proposed amendments and issuance of interpretive guidance. With increased reliance on management judgment, will there be unintended consequences? We also request qualitative feedback and related evidentiary support relating to any benefits and costs we may have overlooked.

NP Response: The benefits of the proposed amendments will come mostly from the elimination of the auditor requirement to give an opinion on management's assessment process. Benefits derived from this will be due to management having more flexibility to decide what level of procedures and evidence is necessary for their assessment but some of these cost savings will be offset by higher auditor costs if there are areas they relied on management's testing previously which will no longer be available. Depending on the restrictions embedded in the PCAOB proposed standard on using the work of others management's decision on what level of work to perform could be greatly impacted. Both the internal and external auditor costs will be impacted by the SEC interpretive guidance and the PCAOB proposed audit standard changes thus making it hard to accurately estimate additional costs, cost savings, and benefits.

Increased reliance on management judgment could lead to situations where evaluation efforts at some companies are insufficient to support their assessment but this should not impact investor confidence as the auditor will still perform their own level of due diligence.