The Honorable Arthur Levitt  
Chairman  
Securities and Exchange Commission  
Washington, DC 20549

Dear Chairman Levitt:

I'm writing once again on the issue of auditor independence, this time on the relatively minor (but nonetheless important) matter of the impact on middle market accounting firms.

It recently has come to my attention that the proposed rule could have an adverse effect on such firms, particularly those operating under an Alternative Practice Structure. In the spirit of ensuring that all potential effects on auditor-client relationships are fully considered, I hope that Alternative Practice Structures and the needs of middle market accounting firms are not overlooked.

Middle market accounting firms appear to offer important benefits to the profession and the segments of the business community they serve. Others who have considered Alternative Practice Structures have found basis for accommodation ensuring that auditor independence is not compromised nor investor protection endangered. I trust the Commission will make a similar effort.

Thank you very much for your time and consideration.

Yours truly,

Michael G. Oxley  
Chairman  
Subcommittee on  
Finance and Hazardous Materials