



THE CHAIRMAN

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

July 17, 2000

The Honorable Robert F. Bennett  
United States Senate  
431 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Senator Bennett:

Thank you for your letter regarding the impact of the New Economy on securities regulation, including the regulation of the accounting profession and auditor independence. Enclosed is a memorandum from our Office of the Chief Accountant that responds to the questions in the attachment to your letter.

I agree that regulatory issues presented by changes in the economy should be subject to a full and public debate. Indeed, although the issues in our proposed rulemaking on auditor independence have been discussed for over 20 years by the accounting profession, academia, regulators, and Congress, our proposal is not intended to end the debate. It is, rather, a call to interested parties to join that dialogue, by not only sending the Commission written comment letters but by participating in our public hearings as well.

As always, I'd be glad to talk to you about these issues at any time.

Sincerely,

A handwritten signature in black ink, appearing to read "Arthur Levitt".

Arthur Levitt

Enclosure