



THE CHAIRMAN

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

February 10, 2000

The Honorable John D. Dingell
Ranking Member
Committee on Commerce
U.S. House of Representatives
Room 2322
Rayburn House Office Building
Washington, DC 20515-6115

Dear Congressman Dingell:

Thank you for your letter concerning the independent consultant's report of PricewaterhouseCoopers LLP's violations of auditor independence regulations. As you know, I share your concerns about the importance of safeguarding the independence and objectivity of the accounting profession.

The enclosed memorandum from Lynn Turner, the Commission's Chief Accountant, describes many of the steps we have taken, and those that are underway, to ensure the continued objectivity of public company financial statement audits. As noted in Mr. Turner's memorandum, because the independence of auditors is critical to maintaining investors' confidence in our markets, the Commission has addressed auditor independence issues through our rulemaking, enforcement, and oversight programs.

As the accounting profession continues to evolve in response to market dynamics and competitive forces, I assure you that the Commission plans to remain actively involved in safeguarding the public interest in the integrity of the audit function. We have engaged and will continue to engage the leaders of the profession and its oversight programs in a dialogue to ensure that these core principles are not sacrificed.

I look forward to continuing to work with you on these and other important issues.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Levitt", written over a series of horizontal lines.

Arthur Levitt

Enclosure