

December 8, 2009

The Honorable Paul Kanjorski, Chairman
Capital Markets, Insurance, and GSEs Subcommittee
House Financial Services Committee
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Kanjorski:

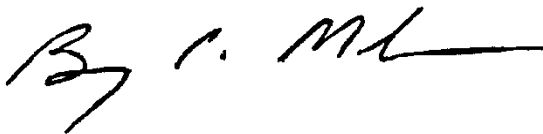
On behalf of the 350,000 members of the American Institute of Certified Public Accountants, I want to thank you for the steps you have taken to address concerns raised by the accounting profession, as related to the registration and inspection of the auditors of broker-dealers. In the aftermath of recent investor scandals, such as the massive fraud committed by Bernard Madoff, it is critically important that Congress expand regulatory oversight in a way that is best designed to protect the public and give regulators the tools and powers they need.

The language you have proposed in Section 7601 of H.R. 4173, the Wall Street Reform and Consumer Protection Act of 2009, gives the Public Company Accounting Oversight Board the maximum flexibility it needs to ensure that the auditors of broker-dealers are properly regulated. And, it does so without presupposing the terms of inspections nor mandating which firms should be covered. As written, the Board will have the full authority, through a rulemaking and public comment process, to determine what is in the best interest of the public.

In the past, the PCAOB has acknowledged a distinction between different types of broker-dealers. And, Acting PCAOB Chairman Daniel Goelzer has publicly noted that the vast majority of broker-dealers have no access to client funds and therefore the risk is not the same for all firms. He and his colleagues will now have the flexibility that they need to consider this issue and act accordingly.

Section 7601 is a comprehensive way to provide new oversight to the auditors of broker-dealers. I commend you for your efforts to address this loophole in existing law. I also commend your staff for their contributions in helping to develop this language. The AICPA supports the passage of this language and will work with you and your colleagues to see it enacted into law.

Sincerely,



Barry C. Melancon, CPA
President and CEO