



February 11, 2005

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, DC 20006-2803

RE: PCAOB Rulemaking Docket Matter No. 017

Members of the PCAOB:

One of the expressed goals of the Texas Society of Certified Public Accountants (TSCPA) is to speak on behalf of its members when such action is in the best interest of its members and serves the cause of Certified Public Accountants in Texas, as well as the public interest. The TSCPA has established a Professional Standards Committee (PSC) to represent those interests on accounting and auditing matters.

We appreciate the opportunity to provide input into your deliberations regarding the proposed rule concerning independence, tax services and contingent fees.

The TSCPA PSC is in agreement with a majority of the rule changes being proposed in this document. We believe the proposed rules will strengthen the public's confidence in the auditor/client relationship and provide greater transparency and objectivity in the performance of professional services. However, there are two issues we wish to raise for the Board's consideration.

First, we respectfully suggest the Board consider including one additional tax service in the discussion as requested on page 17 of the proposed rules. We request the Board include a service we believe is often provided by tax practitioners. This common service involves providing written advice concerning the qualifications of a qualified plan. We believe consideration should be given to including this as a permissible service as defined in the proposed rules.

Our second suggestion involves the guidance surrounding Proposed Rule 3524 dealing with pre-approval of an issuer audit client's audit committee to perform tax services that are not otherwise prohibited. The proposed rule requires the registered public accounting firm to:

- Provide the audit committee detailed documentation of the nature and scope of the proposed tax service;
- Discuss with the audit committee the potential effects on the firm's independence that could be caused by the firm's performance of the proposed tax service; and
- Document the firm's discussion with the audit committee.

The TSCPA PSC believes the amount of detail involved in such a pre-approval process is far in excess of the benefit to be derived from such an exercise. We have no problem with informing the audit committee of the services to be performed, but to provide

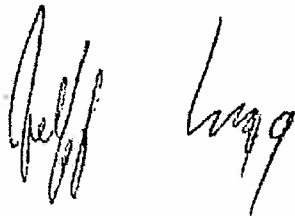
Public Company Accounting Oversight Board
February 11, 2005
Page Two

"detailed documentation of the nature and scope of the proposed tax service," and then "discuss with the audit committee the potential effects on the firm's independence that could be caused by the firm's performance of the proposed tax service" appears to be more information than is necessary for the types of tax services that would be subject to these rules.

We suggest the registered public accounting firm be required to submit some form of summary documentation regarding the tax service to be performed, the reason for its performance, and the amount of time and fee considerations involved. This summary should include an invitation to members of the audit committee to request a more detailed explanation of the nature and scope of the proposed tax service and the impact such tax service would have on the firm's independence. We believe this type of guidance would result in an efficient and meaningful pre-approval process and provide members of the audit committee the ability to request additional information when they consider such a request necessary.

We appreciate the opportunity to provide our input to the standard setting process.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Jeff Gregg". The signature is written in a cursive, somewhat stylized font.

C. Jeff Gregg, CPA
Chairman, Professional Standards Committee
Texas Society of Certified Public Accountants