PENN VIRGINIA RESOURCE PARTNERS, L. P.

November 21, 2003

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, DC 20002-2803

Re: PCAOB Rulemaking Docket Matter No. 008-Proposed Auditing Standard – An Audit of Internal Control Over Financial Reporting Performed in Conjunction with an Audit of Financial Statements.

Dear Board Members:

Penn Virginia Resource Partners, L.P. (NYSE: PVR) is a master limited partnership (MLP) formed by Penn Virginia Corporation (NYSE: PVA) to manage coal properties and related assets. In addition to the coal business, PVR generates revenues from the sale of timber growing on its properties. As of November 14, 2003, PVR had an equity market capitalization of approximately $610 million. As a small market capitalization entity, PVR has a limited staff. Furthermore, as an MLP, PVR pays most of its cash flow to its unit holders in the form of cash distributions. As such, the cost versus benefit of all administrative expenses are closely controlled and scrutinized.

I appreciate the research and efforts of the Public Company Accounting Oversight Board regarding the proposed auditing standard, An Audit of Internal Control over Financial Reporting Performed in Conjunction with an Audit of Financial Statements. I understand the need to provide regulations that serve to increase the public's confidence in the financial markets. However, I believe compliance with your Proposed Auditing Standard as applied to small entities like PVR will result in onerous cost increases that will greatly exceed any derived benefits.

PVR's efforts to comply with SOX began shortly after its enactment in 2002. To date, we have implemented comprehensive and detailed quarterly and annual reviews of our accounting disclosures and we have documented most of our processes. While we expected costs to increase due to SOX, we were surprised and dismayed by the projected increase in auditing fees related to the "internal control audit" (estimated by our auditors to be 25% to 50% of our annual financial statement audit fee) and on the resultant need for ongoing documentation updates and auditing certifications. It also appears that much of what we have been doing to document and test our processes will be disregarded and must be repeated by our auditors, since the Proposed Standard states that there are a number of significant areas "in which the auditor should not use the results of testing performed by management" (Page 38, paragraph 104).

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I do not believe the audit and related costs are justified for an entity of our size, since much of the business is adequately controlled by a "top-down" emphasis on cost management and control awareness. Furthermore, I do not believe that the "internal control audit" will provide any practical benefit to the investors in PVR. Rather, the investors will be hurt far more by the incremental cost of compliance than they will benefit by the added certification that the internal control systems are functioning properly. I believe that PVR's investors and investors in other public entities are far more concerned that the financial statements are accurate and provide full disclosure. A company's internal controls are one of several processes used to support those financial statements. The controls ultimately depend on the integrity of management, the audit committee and the board, and not on an onerous, overly formal auditing requirement that would result in the "form" of documentation becoming more important than the "substance" of the control environment. As opposed to a separate "internal control audit", I believe the public accounting profession should comply with current auditing standards by performing internal control testing to the extent necessary to establish the level of validation work needed to confidently express an opinion on the financial statements of the registrant.

I agree with the views expressed by Robert Schneider of Kimball International Inc. in his October 16, 2003 letter to you and by Dennis Stevens' of the Alamo Group in his November 4, 2003 letter, both of which are posted on your website.

I strongly urge you to reconsider your requirement for an "internal control audit" and suggest you consider the changes suggested in Mr. Stevens' November 4 letter, including a way to limit the liability of the auditor if they can show that they satisfied their responsibilities as defined by the PCAOB. I urge you to try to arrive at a more cost effective solution than the Proposed Standard in its current form.

Sincerely,

Frank A. Pici

Frank A. Pici
Vice President and
Chief Financial Officer
Penn Virginia Resource Partners, L.P.

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