

**Statement of Chairman Olson
on the Motion to Adopt Periodic Reporting Rules**

June 10, 2008

A motion has been made and seconded, so the question before the Board is whether to adopt the rules, forms, and amendments as presented by staff.

As Michael Stevenson just outlined, the Board will consider today the adoption of final rules to establish an annual and special reporting framework for registered public accounting firms.

Before moving forward, I would like to thank Michael and thank Sarah Williams for their hard work and tenacity that advanced this project. In addition to analyzing comment letters and revising the rule proposals, they have spent significant time working with our Office of Information Technology to develop an on-line reporting system that will be up and running in time to receive the reports when the rules take effect. While this has been and continues to be a complex and challenging project, I see it as the starting point.

This initial effort would implement the provisions of Section 102(d) of the Sarbanes-Oxley Act of 2002, and encompass information that would form the essential foundation of a PCAOB reporting framework. The new reporting framework would assist the PCAOB's oversight function and provide the public with more current basic information on the audit firms that audit public companies.

I refer to this initial effort as the "foundation" for the PCAOB's reporting framework, because these are requirements that, over time, we can supplement with additional disclosure requirements that we identify as necessary or beneficial. In this

regard, and as Michael has mentioned, the Department of the Treasury's Advisory Committee on the Auditing Profession is considering recommendations in the area of transparency. We have participated in an advisor capacity with that effort and will carefully consider the committee's recommendations. Moreover, other audit oversight regimes around the world are establishing reporting requirements – including the annual reporting requirements contained in Article 40 of the European Union's Eighth Directive. In addition to these two specific efforts, the PCAOB will monitor other developments and public discussion that may point to additional disclosure requirements that the Board should consider establishing.

In my mind, it is appropriate, as staff proposes, to start with requirements for firms to update certain registration information and disclose other important events. In addition to the value of beginning to collect that information without further delay, there is a practical benefit to putting the reporting system in place so that firms can begin to adjust to this reporting obligation and start to get familiar with the Board's Web-based reporting system, rather than waiting for the development of additional reporting requirements. Accordingly, I view the rules before us today as representing an important step forward, and I support the staff's recommendation.

I will now turn to my fellow Board Members for any discussion.