September 13, 2005

Letter of Comment No: //
File Reference: FSP123RBU
Date Received:

## VIA US MAIL AND E-MAIL

Mr. Robert H. Herz Chairman, Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

Re: Definition of "Grant Date" under FAS 123(R)

Dear Mr. Herz:

We have followed with interest the various write-ups in the media and in alerts issued by the major U.S. accounting firms on the above referenced matter. We are extremely disappointed to hear there is no current plan for the Financial Accounting Standards Board ("FASB") to provide a more formal dissemination of their position and to allow an opportunity to comment on this matter before the position is finalized. As a result, we respectfully submit this unsolicited comment letter and urge the FASB staff to reconsider their position.

Rather than reiterate the background and relevant facts so well covered in the comment letters submitted by the National Association of Stock Plan Professionals and others, we would simply like to convey our thoughts based on our company's environment and experience. We feel the FASB staff view on "grant date" results in alternatives to current, accepted practice which are impractical, administratively burdensome and a departure from corporate governance "best practice."

Computer Sciences Corporation ("CSC") is a global company offering an equity incentive plan under which we have issued non-broad-based awards to employees in about 30 countries. Our current and long-standing practice has been to calculate the value of a stock-based grant on the date the Compensation Committee of the Board of Directors (or its authorized delegate) has approved the grant. Managers are informed of the approval and advised to communicate the details to their employees receiving such grants.

With the exception of grants awarded for hire, promotion or other off-cycle purposes, our grants are awarded as part of the annual merit review process. Most managers prefer to discuss the grant as part of a more inclusive discussion around the employee's overall performance and career development. If managers have many grant recipients dispersed over a multitude of company and client sites around the world, that process can take days and potentially a few weeks.

Communicating details of the grant in advance of approval takes away the Compensation Committee's discretion to modify or delete an award under consideration. Sending that communication electronically immediately following approval depersonalizes it and eliminates a valuable opportunity for a manager to discuss performance and goals. Even in the best of circumstances it would be highly unlikely such a communication could be delivered to all recipients on the same day as approval given varying time zones, diverse international holidays and individual employee schedules (vacation, etc.).

CSC does require acceptance of the grant by the recipient, but we view it as a clerical matter. Employees have no opportunity to renegotiate the grant.

We believe the long accepted practical definition of grant date continues to work well and does not impact the value of the award. It avoids the potential unintended adverse tax consequences under the new Internal Revenue Code Section 409A that could result from increases in stock price in those days or few weeks it takes to fully communicate the award. Making the significant burdensome changes to our processes and practice called for under the FASB staff's view would not improve the quality of financial reporting in our opinion. Furthermore, to take such an accepted, common practice to this granular level of precision guidance is inconsistent with the movement toward principles-based accounting.

Thank you for your consideration of our views. We would be pleased to discuss, at your convenience, our concerns and any questions you may have.

Sincerely,

Donald G. DeBuck
Vice President and Controller

cc: Lawrence Smith, FASB

Donald Nicolaisen, Office of Chief Accountant, SEC