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Letter of Comment No: 3367
File Reference: 1102-100

From: Travis Jones [trajones@cisco.com]
Sent: Thursday, June 10, 2004 11:29 AM
To: Director - FASB
Subject: File Reference No. 1102-100

Dear Chairman Robert H. Herz,

I am writing you regarding the FASB's draft plan to treat stock options as an expense. Please understand that doing so will have a dramatic negative impact on thousands of high-tech employee's livelihood. As an industry, we have suffered wave after wave of setbacks over that last few years and this would certainly be "another nail in the coffin" for many of us trying to stay the course, and revive the high-tech industry.

I am Systems Engineer with Cisco Systems, and I wanted to share with you the role stock options play in my life, and the culture of our company. Stock options are a vehicle that drives job satisfaction, productivity, and dedication within Cisco Systems. The options I am granted are a big part of my retirement strategy and a key value that keeps me at Cisco. My options give me a stake in my company's performance, and are a constant incentive to achieve and "go beyond the call of duty" for my customers.

If the FASB continues and makes the proposed change, the artificially high valuation required for stock options will eliminate them as a tool to drive innovation and productivity. Without a stake in what you represent, you loose the persistent drive to make that company better, and tend to only focus on your own financial well-being. I don't believe that options meet the definition of an expense as they do not use company assets. In today's difficult economic climate, we should not introduce laws that could further damage the U.S. economy and further delay our recovery.

Our high-tech industry needs stock options to compete in the global market. Companies in other countries use stock options and do not treat them as an expense, giving them a significant advantage in attracting a maintaining the world's most talented workforce. Expensing stock options will have a dramatic impact on American high-tech leadership, and job creation.

Please consider this carefully, stock options need to continue to be used to fuel our innovation, leadership, and dedication. By changing the way they are accounted you will be damaging our economy and giving companies another reason to provide jobs and operate in other countries instead of the U.S.

Sincerely

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