

Dear Commissioners:

I believe it is a mistake to allow the proposed stock option FASB rules to go into effect without further study. I work for TriQuint Semiconductor and have seen tremendous benefits result from the program here. Our program delivers wonderful benefits to all interested parties:

- \* It generates intense employee interest in the company including:
  - \* understanding what each aspect of the company is doing and why;
  - \* understanding how each of those areas is doing in achieving its goals;
  - \* working hard within their area of involvement to insure goals are met;
  - \* a willingness to be flexible with respect to accepting assignments.
- \* Because employees are motivated to insure the company's success:
  - \* management can be open in detailing plans, strategies and options;
  - \* employees can be trusted to both formulate and execute strategies;
  - \* teamwork becomes an acceptable method for optimizing overall results.
- \* Options programs motivate highly skilled individuals to take a chance on small companies and start-ups even in light of:
  - \* a large risk related to long-term job stability;
  - \* often limited benefits packages as compared to larger companies;
  - \* a requirement to work extraordinarily long hours to meet goals.
- \* Stock owners are the biggest winners:
  - \* employees are highly motivated to make the business successful;
  - \* it provides a means for companies to attract the best and brightest;
  - \* there is no cost to the stockholders if the company, along with all stakeholders, is not significantly successful.

There are many wonderful stories resulting from our plan. In my own case, I was able to send my son Chuck to Northwestern University in Evanston. Chuck is a wonderful young man. He is an extremely hard worker and seems to be perfectly matched to the intent of the excellence held within that prestigious institution. We have another son that is autistic, which is a long-term financial concern for our family. Northwestern cost us over \$150,000 and wouldn't have been possible without TriQuint's wonderful stock plan. Chuck will graduate next month (June 2004) with a bachelor of electrical engineering degree. He has received a research fellowship at the University of Texas at Dallas and will start his master's degree program this fall. I'm confident Chuck will make significant contributions to society over the next 40 years, which will thereby enhance the payoff from the TriQuint program.

It would be a true shame to have to force companies such as TriQuint, through this poorly thought-out FASB standard, to have to eliminate or significantly water down such programs. That action would jeopardize the opportunity for future "Chucks" to grow to their full potential, along with the dreams of many other very hard working employees.

Finally, it is clear our long-term economic strength is sorely dependent on our ability to develop marketplace innovations. Other political factors have led to the elimination of

many aspects of our large private laboratories such as Bell Labs, which drove much of the technological advancements over the entire 20<sup>th</sup> century. Venture capital funding of hard driving entrepreneurial technologists has filled the gap for the past decade or two. I fear the FASB rules being proposed pose a great risk to that successful model going forward. I strongly believe this is far too large a risk to take without a much better understanding of the potential unintended consequences.

Please reconsider your current opinion and take more time to study all the potential impacts of your plan.

Sincerely,

J. Michael Sanna  
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