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From: Sent: Andrew Markowski [amarkow@cisco.com]

Tuesday, April 20, 2004 12:47 PM

To: Director - FASB

Cc: savestockoptions@cisco.com Subject: Expensing Stock Options

Chairman Robert H. Herz File Reference No. 1102-100

Dear Sir,

I wish to highlight my concern with the proposal to expense stock options. I can not understand the rational other than assuming it is a political football based on a public perception of Executive avarice rather than an honest proposal.

Clearly Stock options are accounted for in the dilution of stock in the EPS reporting. To try to account for them as an expense years before they are exercised is flawed. What happens to companies that see a drop in share value over the life of the options?

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But one the most important aspect is impact such a step function will have to this countries economy. Here in the Bay area it is common for significant portions of the options to be flowed down to every employee. This may not be the case in most of the old world companies where executives tend to look after themselves first. Any such proposal would certainly have dire consequences on the performance of the new technology companies which are critical in pulling us to further national growth, this proposal could trigger us back into a recession. The executives will continue to look after themselves with bonuses and large stock option grants, the pain will be felt by the lower level employees who will see stock options removed as an incentive and a sudden drop in the value of shares they already own.

I thank you for your consideration of my concerns and trust that you will assess this proposal for all the impacts it could have.

Thanks, Andrew