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Letter of Comment No:1010  
File Reference: 1102-100

**From:** Chris Berriman (berriman@cisco.com)  
**Sent:** Tuesday, April 20, 2004 1:10 PM  
**To:** Director - FASB  
**Subject:** File Reference No 1102-100 and another cog in the US employment wheel breaking...

Chairman Robert H. Herz

There has got to be a better way...

I am a middle manager at Cisco Systems (a high tech company with a large employee base in California, North Carolina, Texas, and Massachusetts).

Over the past year, I have watched many high paying jobs (paying over \$150K/year) leave North Carolina...taking their tax revenue with them. Sometimes these are Indian and Asian friends who were forced to leave because of changes to Visa availability following 9/11. Sometimes these were jobs, which US employees lost in favor of outsourcing to India and China. Admittedly, economics play a large role in our job losses. But do we have to make matters worse with poor decisions?

I strongly encourage you to reconsider the artificially high valuation scheme being proposed.

As employers are forced to eliminate employee stock option programs or WORSE reserve them for just the executives, the overall compensation for me and my employees will be directly impacted. (Note, the gains from Cisco's employee stock option program completely paid for my house and significant other purchases, which--when you multiply out by hundreds of thousands of people--is a significant help to consumer spending.)

Employee based stock option programs are important to the growth of technology and bio-technology companies in the US. Since other high-tech or emerging countries continue to use stock options (and not treat them as an expense) even more jobs will go abroad. Good, hard-working employees will go with them. Worse, as the problems compound, I fear high tech companies may choose to move off-shore completely. Many people like me may choose to go with them...which will have a significant impact on the US economy and tax revenues. This isn't something I look forward to. If you take my situation and multiply it by the hundreds of thousands of high-tech workers in the US, it shouldn't be something you look forward to either.

Sincerely,  
Chris Berriman