Letter of Comment No: 1009 File Reference: 1102-100

 From:
 Mike Robinson [mrobins@cisco.com]

 Sent:
 Tuesday, April 20, 2004 1:08 PM

 To:
 Director - FASB

 Subject:
 Expensing of Stock Options

Dear Chairman Robert H. Herz:

I am writing to you today in an attempt to describe how stock options affect the lives of my family and myself.

I am 37 years of age, have a wonderful wife of 12 years, and two children. I have been working in the technical field since 1986, starting at the age of 19. First, at Texas Instruments for a period of 11 years. Second, at Alcatel USA for a period of 2 years. Last, at Cisco Systems for a period of 4 years.

The experience at each employer could not have been more diverse. Texas Instruments was a wonderful place to work, but the compensation was below average. They did provide assistance with school, I did receive my BSEE degree while working there, and in return was a loyal employee. I had planned on retiring there. This was until the day they announced that the division where I was working was being sold. My group was not a part of that transaction. A group who generated and submitted more than 100 patents. Texas Instruments as a corporation was interested in strengthening their intellectual property, and when they were done we were to be laid off. I found a new job after taking my lump sum pension distribution of \$5000 for almost 12 years of service.

Alcatel USA was also a wonderful place to work. There benefits were extremely good, but only due to it being a French Company. There paid time off and matching 401K plans far exceeded benefits at any other company. Then work scaled back due to increases in efficiency and a surplus of workers from acquisitions. The future did not look bright as development groups vied for work. I quit when the operating budget was slashed in half and future design work went back to France. Months later, thousands of layoffs occurred, but only in the USA.

Cisco Systems was like a breath of fresh air. I worked hard and was compensated well for it. A good salary. A bonus tied to company wide metrics. A straight forward management team that made the employees down to the lowest levels part of the solution for any problems. The goals and expectations as it related to the business were well defined and communicated. In addition to these things, stock options were granted.

The stock options provide a daily reminder that my job performance meant, not only something to the company, but to myself. I am the company, and now I have to answer to myself. All of my past jobs only meant something to some nameless faceless board of directors. I know that in the great scheme of things, my portion of the total share is only a few crumbs of the entire pie. But that is all the more reason for me to try and make the pie as large as it can be. I'm working smarter and harder than I ever have, because I'm working for me and my family. I'm not working for some nameless faceless board of directors. In addition to this, the stock provides a daily indicator of the performance of me and my colleagues. I don't have to wait for the thirty minutes of time, once a year, to find out how I'm doing in my job during my annual review. I get a daily reminder with the price of the stock and a quarterly update during the earnings announcement.

Even when the stock market "bubble" burst, the options that were now worthless became a goal. A goal that seems more obtainable every day. I can't even begin to explain what those stock options would mean to my family and my children's education.

I understand that there are no guarantees, but at least the potential is there. If expensing stock options for all employees in a broad based stock option distribution program becomes a reality, then that potential will be nonexistent. There are no more goals to work towards, no more dreams, because the potential for them has been stripped away. The common middle class employee will no longer get that taste of ownership. I might as well go back and work for the European based companies that at least provide good benefits, even for the workers who put their feet up on there desks and do nothing.

Employment numbers have been a big concern in recent months, especially as we approach the upcoming election. Why would the government continue to do everything to stifle growth in these areas by stifling competition. No, this policy does not make sense.

I'm hoping that this letter might in some small fashion influence the decisions that are about to be made. Perhaps only upper management stock options will be expensed. Perhaps only individual distributions over a certain amount. Whatever the case may be, please don't take the potential of the dream away from me and my family.

Sincerely, Michael L. Robinson Plano, Tx.