



# TEAMSTERS LOCAL UNION NO. 117

*Affiliated with the International Brotherhood of Teamsters*

GENERAL PUBLIC AND PRIVATE SECTOR EMPLOYEES AND SPECIAL SERVICES EMPLOYEES IN  
KING AND PIERCE COUNTIES AND EMPLOYEES OF THE STATE OF WASHINGTON

## **SEATTLE MAIN OFFICE**

553 John Street · Seattle, WA 98109  
Phone (206) 441-4860 · FAX (206) 441-3153

## **TACOMA OFFICE**

220 S. 27th Street · Tacoma, WA 98402  
Phone (253) 272-9379 · FAX (253) 627-4222

June 7, 2004

**Letter of Comment No: 3617**  
**File Reference: 1102-100**

Ms. Suzanne O. Bielstein  
Director of Major Projects and Technical Activities  
Financial Accounting Standards Board  
401 Merritt 7  
P. O. Box 5116  
Norwalk, CT 06856-5116

### **Re: Mandatory Stock Option Expensing**

Dear Ms. Bielstein:

As a trustee of the Pacific Coast Benefits Trust and a representative of 110,000 participants, I appreciate the opportunity to comment on the proposal by the Financial Accounting Standards Board (FASB) to require the mandatory expensing of stock options (File Reference No. 1102-100), and the potential impact that mandatory stock option expensing would have on Teamster families across the country.

Teamster Pension and Health & Welfare funds collectively hold over \$100 billion in assets and our members also participate in the capital markets as individual investors.

I strongly support the FASB's proposal because it provides a reliable cost estimate that takes into account the unique characteristics of employee stock options. It also provides broad flexibility for small businesses that are not publicly traded. Lastly, the FASB proposal should have zero compliance costs for publicly traded companies, as the current accounting rules already require corporations to provide investors with an estimate of their stock option expense in the footnotes of company earnings statements.

Our Union is not opposed to stock options as an appropriate form of compensation to employees, but we believe that as investors we must have the most accurate information regarding the true financial condition of a public company. Our Union would oppose giving one particular form of compensation – in this case, stock options –

Ms. Suzanne O. Bielstein  
Director of Major Projects and Technical Activities  
Financial Accounting Standards Board  
Re: Mandatory Stock Option Expensing

preferential accounting treatment over other employee benefits, such as, wages, pensions or health care. If the corporate opponents of stock option expensing truly want to help America's working families, they should instead focus their efforts on encouraging the expansion of retirement plans and health care coverage.

By passing and implementing the proposed accounting standards, the FASB will help restore the trust of investors in the U.S. capital markets. We look forward to a final rule that will require companies to truthfully report the economic effect of equity based compensation on the bottom line and, therefore, significantly improve the transparency and integrity of financial reporting in the U.S.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Williams". The signature is written in a cursive style with a large initial "J" and "W".

John A. Williams  
Secretary-Treasurer, Teamsters Local 117 and  
Pacific Coast Benefits Trust Trustee

JAW:aj