ikon

Letter of Comment No: 3269
File Reference: 1102-100

From: Stacey Sutay
Sent: Monday, June 07, 2004 3:07 PM
To: ikon; Karen Salmansohn
Subject: FW: Comment letter to Exposure Draft No. 1102-100 - Share-Based Payments.

-----Original Message-----
From: Marsh, Deborah TQO [mailto:dmarsh@tqs.com]
Sent: Monday, June 07, 2004 2:53 PM
To: Stacey Sutay
Subject: Comment letter to Exposure Draft No. 1102-100 - Share-Based Payments.

Dear Sir or Madame:

I am the World-wide Human Resources Director for TriQuint Semiconductor, Inc., and am writing to you in response to your request to comment on the exposure draft on share-based payments. TriQuint Semiconductor is a leading supplier of high performance semiconductors, components and modules for the growing worldwide communications market. We have over 2,000 employees and issue stock options and offer an Employee Stock Purchase Plan to all of our U.S. based employees and to many of our employees in foreign countries.

I have worked in the high tech industry for over 10 years and have seen first-hand what an important benefit a broad based stock option and ESPP is to employees, especially those in the non-management, lower paid groups. I am concerned about the negative impact this exposure draft would have on most of my employees. Since the greatest negative financial impact will be to my lower paid employees and lower paid employees in other organizations, I believe this exposure draft is misguided and will be detrimental to many American workers and should be withdrawn.

I was most surprised at your inclusion of ESPP programs in the exposure draft. ESPP programs are designed as a way for employees to accumulate stock in a company through regular payroll deductions. At TriQuint, we offer a small discount to the market price and have a fixed price during the offering period. Because TriQuint has not been able to afford a competitive retirement program, our ESPP has been one of our most popular benefits. It offers our employees the ability to accumulate wealth for retirement purposes while aligning their interests with shareholders' interests, so everyone wins.

If you read any of the human resources literature on total rewards programs, you will see that it is clear that the current usage of share-based programs is appropriate, adds to the competitive edge of companies, aligns employee's and management's interests to those of shareholders, is a factor in employee wealth accumulation and is good for our state and national economies. Employees only benefit if the stock goes up, so what's good for employees is good for investors. Shareholders control the creation of stock based programs and set the number of shares eligible for these programs through proxy voting. New SEC rules mandate that shareholders approve all new equity programs, so the shareholders have the first and final say in stock option programs.

If TriQuint is forced to deal with the huge expense, we will be forced to modify or eliminate our programs. Because equity programs are market competitive for executives, executives will continue to receive stock based awards. Again, the greatest impact of this exposure draft is to rank and file employees who will lose their opportunity to participate in ownership. I don't believe this is the underlying intent of the exposure draft, but this is what will happen.

Additionally, governments will lose precious tax receipts. The state of Oregon's general fund budget relies on stock option gains for upwards of 10% of its revenues. America would lose its competitive edge, especially in technology, which has been our largest job growth sector over the past 30 years. Our competitors in China and other developing areas will not be required to expense these payments, giving them another advantage over U.S. firms. I see no positive benefit in forcing U.S. companies to expense share-based payments.

In summary, I implore you to withdraw the exposure draft and retain the accounting and disclosures under SFAS 128 and 123. At a minimum, defer any changes until a comprehensive study on the impact to companies, employees and the state and national economy is completed.

Respectfully submitted,

Deborah Marsh
Human Resources Director
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