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From: Alice Riedmiller [ariedmil@cisco.com]
Sent: Tuesday, May 04, 2004 6:59 PM

To: Director - FASB
Cc: Alice Riedmiller

Subject: Please save stock options (File Reference No. 1102-100)

To Chairman Robert H. Herz, concerning "File Reference No. 1102-100"

Sir,

I would like to express my desire to see stock options saved such that any attempt to expense them will be avoided.

As an employee who has received stock options for over 7 years, I can say that they are the single most motivating factor both personally and among my co-workers to strive for excellence. Aside from the possible personal economic gain such options can provide, they instill an overwhelming sense of pride, loyalty, ownership and responsibility.

Letter of Comment No: 2230 File Reference: 1102-100

I have had a first hand sense how little is paid for qualified engineering from other countries as compared to the cost for a similar engineer working in the U.S. It is my experience that options keep our wages down, but if option expensing were to occur, the cost of a U.S. engineer could become prohibitive and drive companies offshore with increasing frequency. I, and my U.S. co-workers will be competing with offshore engineers that not only make less salary, but also receive non-expensed options from their own companies. I will simply become too expensive to employ. When the U.S. loses its engineers, it will lose its reputation for high-tech leadership.

I would also question why there is such a current push for expensing at this time of fragile economic recovery. It may be well to send a message that corporate hijinks at the upper management level is not to be tolerated, however, its my belief option expensing can not put a stop to that, but it

nowever, its my belief option expensing can not put a stop to that, but it surely will hurt the hard-working rank-n-file employees that make our companies the best in the world.

Sincerely,

Alice Riedmiller

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