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Letter of Comment No: 2141
File Reference: 1102-100

From: Steve Busch [Steve.Busch@nsc.com]
Sent: Monday, May 03, 2004 2:26 AM
To: Director - FASB
Cc: Jeanette.Morgan@nsc.com
Subject: FASB plan to expense broad based stock options



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To: Chairman Robert H. Herz
CC: Jeanette Morgan
Subject: Expensing Broad Based Stock Options ? File Ref 1102-100

I am an engineering manager at National Semiconductor Corp. and would like to express my opposition and concern with the FASB plan to expense broad based stock options. My position is based on 25+ years experience in Silicon Valley with experience at startups and various size corporations.

These stock programs are one of the tools used to build the power behind Silicon Valley, one of the few remaining industries where the United States still commands a lead. They motivate engineers to take risks working for startups. They motivate engineers to work long hours ensuring critical deadlines are met. They provide a means of companies to give ownership to their most valuable resource, their employees.

The returns on these programs allow employees to live in this high priced mecca of technology where houses cost as much as 10X the price of other areas. They allow employees to send their children to expensive colleges. They allow employees to take care of their parents who sacrificed to send them to college.

We are now encountering major competition from other countries as they move from manufacturing into the technology development arena. These countries are using the very tools the FASB is trying to eliminate with the expensing program. There have been numerous articles about China and Taiwan implementing much more extensive stock programs for their employees. This is already causing a drain of talent from the United States as U.S. trained engineers return to their native lands to pursue the "American Dream" that is realizable via stock programs.

I do not understand the methods proposed by the FASB to expense options, but everything I've read has indicated there is not a clear cut method of calculating the liability of broad based stock options. Most articles indicate they would significantly overstate the liability. This would only lessen the value of American corporations and potentially shift investment and growth to companies in other countries where they have not implemented such rules.

We are in a global fight for our economy and need a government that works with our companies similar to the ways other countries do. Please consider the ramifications of the FASB actions before allowing these to move forward.

Sincerely,

Stephen M. Busch
Sr. Engineering Manager
National Semiconductor Corp