

ikon**Letter of Comment No: 2002
File Reference: 1102-100**

From: Burchell, Bob [bob.burchell@intel.com]
Sent: Thursday, April 29, 2004 1:42 PM
To: Director - FASB
Subject: File Reference No. 1102-100

FASB Director:

I am currently working for a company that grants stock options and the FASB is attempting to mandate expensing of stock options which would make it much more difficult for companies to sustain broad-based employee stock option plans. FASB is proposing to treat the options that I and others have as an accounting expense and it looks to me as though FSAB is disregarding three fundamental issues.

First: My options are controlled by my company and those controls cause them not to be freely tradable. I do not have a market that would accept my options without the company releasing those options. Therefore there is no open market that my options have value in.

Second: One of the controls the company places on my options is that they are subject to lengthy vesting periods of four to five years. The only time that the option is of value to me is when it vests. If I were to terminate from this company and go to another my un-vested options would be of no value to me.

Third: I have some options which values are above the current market value and the current market value would have to drastically increase for me to appreciate a value greater than zero. Options come at various times during the year and when they are granted their value is the value of the market at that period. Prior to my options vesting I do not expect to predict nor do I know of anyone who could predict with what the market value will be.

In conclusion as a citizen of the US I am not pleased that an unelected board of FASB is moving to mandate expensing of options which could affect my future financial opportunities for retirement. It is a shame that in the US there is a push to remove stock options from employees while companies in China, Singapore, India, and other countries are explicitly calling for broader use of stock options to attract and retain key talent. The FASB proposal will harm the attraction and retention of talent and growth of American innovation.

Sincerely,
Robert Burchell