CHAUFFEURS, TEAMSTERS AND HELPERS

LOCAL UNION NO. 633 OF NEW HAMPSHIRE

Affiliated with the
International Brotherhood of Teamsters

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June 7, 2004

Ms. Suzanne Q. Bielstein
Director of Major Projects and Technical Activities
Financial Accounting Standards Board
PO Box 5116
Norwalk, CT 06856-5116

Letter of Comment No: 3620
File Reference: 1102-100

Dear Ms. Bielstein,

As a trustee of the New England Teamsters & Trucking Industry Pension Fund and a representative of over 50,000 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.

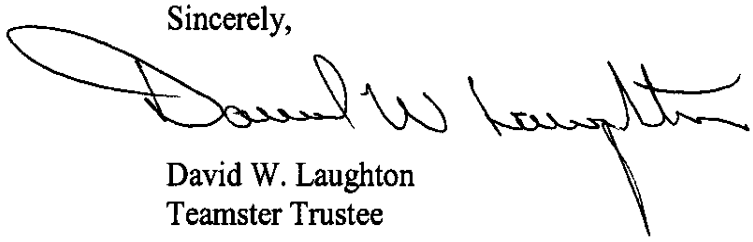
Teamster Pension and Health & Welfare funds collectively hold over $100 billion in assets and our members also participate in the capital markets as individual investors.

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–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 base compensation on the bottom line and, therefore, significantly improve the transparency and integrity of financial reporting in the United States.

Sincerely,



David W. Laughton
Teamster Trustee

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