

Karen Salmansohn

From: Director - FASB
Sent: Monday, February 03, 2003 11:38 A
To: Karen Salmansohn
Subject: FW: File reference No. 1102-001

Letter of Comment No: 150
File Reference: 1102-001
Date Received: 1-31-03

-----Original Message-----

From: Weber, Craig S. [mailto:CSWeber@VSECORP.com]
Sent: Friday, January 31, 2003 3:27 PM
To: Director - FASB
Cc: Ervine, Donald M.
Subject: File reference No. 1102-001

Sir:

We disagree with the proposal to expense stock option awards as granted and vested because we do not believe the value of such options can be reliably measured prior to being exercised, principally due to stock price volatility and related concerns mostly affecting small businesses. We recognize that the FASB in 1995 determined that such options can be reliably measured, volatility notwithstanding.

We prefer to rely on footnote disclosure rather than income statement expensing of stock options. However, in the event the FASB mandates the expensing of stock options, we strongly support adopting a uniform method of valuation to promote comparability of results between and among all public corporations.

VSE CORPORATION
Nasdaq: VSEC
By: D. M. Ervine, Chairman, President and CEO/COO