

Stacey Sutay

Letter of Comment No: 390
File Reference: 1102-100

From: Jamie Zucek [jzucek@cisco.com]
Sent: Monday, April 19, 2004 3:47 PM
To: Director - FASB
Subject: Regarding stock option expensing, File Reference No. 1102-100



InterScan_SafeSta
mp.txt (296 B...

Chairman Robert H. Herz,

I am a US Citizen and an employee at Cisco Systems, located in San Jose, California. As you well know Cisco Systems is one of our nation's leading high-tech firms as well as a leader in utilizing stock options to motivate and compensate its employees.

I am writing to urge you to change the Financial Accounting Standards Board position regarding expensing stock options. I have seen first hand how the stock option plan at Cisco motivates my fellow co-workers to perform at a higher level than might otherwise be expected. The difference can clearly be seen between our full-time employees and contractors who do not receive such options; there is a much higher degree of dedication to their work seen in full time Cisco employees who have options.

I also fear that Cisco and America will lose out in the international market if we expense options while countries such as China do not. Cisco will be forced to take more work and jobs internationally and we will see a stagnation of job growth if not a retraction if American companies are forced to weigh the costs and benefits.

In closing, I want America to continue to dominate in high-tech industries and in this time of heavy outsourcing to Asia, South America and other developing countries the last thing we need to do is reduce our workers' incentive to excel and place our companies in an uncompetitive position.

Thanks for your time,

Jamie

Jamie Zucek
Product Supportability Engineer
Customer Advocacy - Cisco Systems