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From: Saleski, Chris [chris.saleski@intel.com]
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To: Director - FASB
Subject: File Reference No. 1102-100

I understand that FASB is considering a rule mandating that corporations expense stock options. I am profoundly against such a proposal.

Expensing stock options will lead to inaccurate reporting and investor confusion. It will not increase accounting transparency. There is no accurate way to forecast the value of these options. All of the known methods require predicting future stock prices with accuracy, which is impossible. Many companies that have broad based employee option programs have volatile stock prices (or high betas), exacerbating the difficulty in forecasting. In addition, employee stock options are often subject to lengthy vesting periods—typically four or five years. If the employee changes jobs before the options vest, the options are forfeited.

A rule mandating that corporations expense stock options would give foreign entrepreneurs a competitive advantage. This FASB proposed rule will inevitably discourage broad based employee options programs in the U.S. at a time when competitors in Asia are encouraging them to fuel innovation, foster an entrepreneurial culture and retain talent. These companies will use this competitive advantage to become global powerhouses that are listed on foreign exchanges.

This FASB proposed rule will harm the ability if Americans to innovate and rive our nation towards second tier status.

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