ikon From:

Lowe, Mike [mike.lowe@intel.com]

Sent:

Monday, April 26, 2004 8:24 PM

To:

Director - FASB

Subject: File Reference No. 1102-100

Sensitivity: Confidential

Dear Director at FASB.

I am a regular joe employee at Intel. Over the years Intel has been very generous to me sharing Intel's success through it's broad-based all employee stock option plan.

Letter of Comment No: |8|8 File Reference: 1102-100

Expensing of stock options was an idea that has not been well thought through by the FASB.

FASB's drive to force companies to expense stock options will make it difficult for companies that have broad-based plans to continue to offer and sustain stock option plans for all employees. Companies that offer options to all employees may be forced to discontinue the practice.

For the company, expensing options creates forced accounting inaccuracies. Options when granted are not exercisable until a vesting period has expired, typically 4-5 years. How does the company know at what price to expense the options when they can't be exercised and sold for several years and at an unpredictable, unknown future price? Companies that offer options to all employees may be forced to discontinue the practice.

I've also heard that China is encouraging companies to offer stock options to their employees. In order to keep the competitive playing field level in a world wide economy is the FASB going to request that China (or any country for that matter) also force their companies to expense stock options?

I request that the FASB drop pursuit of stock option expensing.

Thanks Mike Lowe.