Stacey Sutay

From:

Letter of Comment No: 478File Reference: 1102-100 Maria Rodgers [mrodger@cisco.com]

Tuesday, April 20, 2004 3:50 PM Sent: Director - FASB

To:

Subject: File Reference No. 1102-100

To: Chairman Robert H. Herz

Please do not expense stock options, especially at artificially high valuation rates. It will hurt Cisco and it will hurt the employees. Stock options provide a sense of employee ownership and hold out hope for tech workers that the long hours and hard work to meet milestones, surpass industry expectations, and provide the best and most productivity-enhancing products will pay off and function as a self-directed investment for the future.

In countries where there is no real incentive to work harder and to keep learning more, I have seen workers who do not show much initiative. Maintaining the status quo becomes a higher priority than excelling.

For me, stock options increase the sense of pride and the sense of teamwork with people across the company. Everybody here is on the same page, wanting to improve customer satisfaction and productivity, wanting to drive up value for the customer and the shareholder. There are no haves and have nots. We all have options, whether we can afford to buy stock on the open market or not.

And that's the beauty of it. A single mom who works as an administrative assistant might not be able to afford to buy stock. But options make it possible and increase her commitment to and satisfaction with her job and her team, the company. We all strive to make the options more valuable, the administrative assistant, the tech writer, the engineer, the VP. Everybody has a piece of it.

Who wins if stock options are expensed? Not me, not Cisco, and I think, ultimately, not those who live in the USA and invest in the USA. Foreign countries take our jobs and now they are better positioned to take our market share. We become less competitive.

Tech workers pay taxes on the options; options are no free ride; options are not guaranteed to supply a return. Not all investments pay off; investing years in a company does not ensure that company stock prices will rise or that you will have a job tomorrow. Tech employees are not unionized, do not have pensions, do not have guaranteed health coverage in retirement. Tech employees compete against workers across the world for jobs.

Right now, I am grateful to have a job; I'll be 52 this month and hate to think what would happen to me and my family without this job. I think we should do everything we can to keep jobs here in the US and to increase their number.

Respectfully, Maria Rodgers 493 South Temple Drive Milpitas, CA 95035