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From: James Collinge [jcolling@cisco.com]
Sent: Tuesday, April 27, 2004 2:59 PM
To: Director - FASB
Subject: File Reference No. 1102-100

Letter of Comment No: 2040
File Reference: 1102-100

To: Chairman Robert H. Herz
From: James Collinge, Cisco Systems

Dear Chairman,

Just a note to express my concern over the expensing of stock options according to the new proposal from the FASB. The potential to receive stock options were one of my key reasons for joining Cisco Systems in the 90's. I believe stock options are a huge benefit for employees such as myself, and they continue to provide a key motivational element that may not exist if removed as an incentive for corporate success.

I could not imagine working in an environment that does not provide stock options in a high tech market. As you may know, stock options afford me the opportunity to increase my income over and above my base salary. Because of this I live in a nice area, with an excellent school system, and ultimately pay the government higher taxes (property, income, etc..). This seems like a win-win from my limited perspective. Removing stock options as an incremental reward for my hard work and the company's performance in the market would be a negative. Specifically, it is not clear why working 55-70 hours a week would help me relative to other compensation programs. Furthermore, I travel over 100k miles per year spending time away from my family. Of course I love my job, but I look forward to the option grants as a way to reward the sacrifice I make day to day.

Chairman, I seriously hope you reconsider the FASB proposal and the negative impact it will have in the high-tech market segment. I am sure there are many employees in this segment that rely on options as a mechanism to make a better life for themselves and their families. Finally, the government benefits from the incremental taxes imposed on income and property we own.

Thanks for your time and consideration, James

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