Computer Sciences Corporation
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Letter of Comment No: 26
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MP&T Director – File Reference 1101-001
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

RE: Amendment of FASB Statement No. 123 – Accounting for Stock Based Compensation – Transition and Disclosure

CSC

Thank you for allowing public comment on the Financial Accounting Standards Board's ("FASB") Proposed Statement of Financial Accounting Standards pertaining to Accounting for Stock-Based Compensation – Transition and Disclosure. Computer Sciences Corporation ("CSC") supports the FASB's goal of improved timeliness and greater clarity of financial reporting. However, we have concerns with the proposed amendment to stock-based compensation disclosure requirements on two fronts.

First, though we support prominent disclosure about the method of accounting for stock-based compensation, we do not agree that the pro forma table be included as part of the Summary of Significant Accounting Policies. Such quantitative disclosures are more appropriately placed elsewhere in the footnotes to the financial statements.

Second, we think that requiring disclosure of stock-based compensation expense on a quarterly basis is excessive relative to other significant accounting policies. If the FASB mandates the pro forma table be reported on a quarterly basis, then it would stand to reason that other "significant items" should be treated in the same manner. Why should stock-based compensation expense be singled out for quarterly disclosure while other "significant items," such as the breakdown of a company's term debt structure, are reported on an annual basis? (We do not advocate adding other "significant items" on a quarterly basis as these will lengthen the time necessary for quarterly reporting, running counter to the SEC accelerated filing deadlines requirement.) Furthermore, we do not believe more frequent, i.e., quarterly, disclosure will enhance investor knowledge given valuation methodology concerns and quarter to quarter variations due to a company's normal timing of stock-based compensation awards. We suggest disclosure and valuation methodology issues should be resolved simultaneously.

Thank you for the opportunity to comment.

Sincerely,

Donald G. DeBuck

Donald G. DeBuck
Vice President and Controller

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