

Len Tatore**Letter of Comment No: 1463**
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From: Doug Goodman (dogoodma) [dogoodma@cisco.com]
Sent: Thursday, April 22, 2004 11:59 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: File Reference No. 1102-100

Chairman Robert H. Herz,

I'm writing to you to express my concern regarding a potential change of regulations around the accounting of stock options. Stock options are used to give ownership to employees who have a personal interest in making the company more efficient and profitable. This is a tremendous incentive towards attracting and retaining the best work force in the area and it provides a common productivity goal for every member of our team.

As a company, and as a country, we're seeing tremendous pressure from foreign competition. As such, U.S. companies need stock options to compete with other countries on a global basis. (Example: Chinese companies use stock options and they do not treat them as an expense.) Expensing stock options could have a dramatic impact on American high tech leadership, innovation and job creation. In today's economic environment, the number one rule should be 'first, do no harm'.

I strongly urge you to support the retention of stock option accounting as currently implemented. The common goal of company ownership and productivity growth along with the ability to compete against foreign countries makes this imperative.

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