Len Tatore

Letter of Comment No: 1703 File Reference: 1102-100

From: Spring, Harley [harley.spring@intel.com]

Sent: Thursday, April 22, 2004 7:34 PM

To: Director - FASB

Subject: File Reference No. 1102-100

I am writing in regards to your upcoming ruling on companies expensing stock options. As an employee for Intel Corporation for nearly 14 years and receiving options the past 10 review cycles, I am personally convinced that by forcing corporations to expense stock options will limit the upside for employees throughout the ranks of the corporation.

Employee stock options will be exercised only if the stock price rises above the strike price. How does one predict future stock prices with any degree of certainty? There are entire industries dedicated to such a practice, yet no one is able to predict with absolute certainty what a stock price will be over a given length of time. Today I have options that are underwater, should Intel be responsible for expensing costs that will never be realized? I don't think so.

I am fortunate to travel worldwide in my role for Intel. I see first hand what India and China are doing in becoming leaders in high tech, your ruling will have grave affects on US industries for generations to come. As a College educated person with an accounting degree, I find it disheartening to see the FASB organization move so far from its fundamentals of good solid accounting principles. Expensing stock options at a bogus made up number no matter what model you try and force it into is wrong, period!

Be wise in your decision and understand your impact to individuals, small businesses, corporations and America at large.

Sincerely,

Harley Spring BA Accounting University of Washington '86 MBA University of Oregon '90