Len Tatore

TO: Chairman Robert H. Herz

SUBJ: File Reference No. 1102-100

Greetings,

I am an employee of Cisco Systems and the Director of a large sales
operation supporting Service Provider customers. I have been with Cisco
for five years and become a firm believer in the value of a stock option
incentive system.

I manage a large team of sales and engineering professionals who are
arguably some of the most dedicated and hard working individuals in the
industry. I attribute their motivation and loyalty to Cisco's unique
system of granting stock options to a broad set of employees across the
company. The stock options serve as a strong incentive and provide a
feeling of ownership unlike anything I have experienced in my 25+
years. The options enable employees to vest their time and talent in
exchange for the ability to participate in the success of the company.

I am firmly against the FASB plan to expense options for the following reasons:

*   The artificially high valuation for a stock option required by FASB will
eliminate stock options as a tool which has driven innovation and productivity.
* Stock options do not meet the definition of an expense because they do
not use company assets.
* The true cost of a stock option is dilution of earnings per share (EPS)
and is already accounted for when options are exercised.

I strongly recommend your consideration to avoid mandating the expensing of
options. America's technology industry already faces stiff global
competition and will only be further handicapped by removing this valuable
incentive program.

Thank you again for your consideration and support.

Sincerely,

David J. Wolf

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David Wolf
Operations Director & General Manager

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