Letter of Comment No: 1971

File Reference: 1102-100

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From: Elizabeth White Baumuller [white@cisco.com]

Sent: Monday, April 26, 2004 6:59 PM

To: Director - FASB

Cc: savestockoptions@cisco.com

Subject: Please do NOT make us expense stock options!

To: Chairman Robert H. Herz Re: File Reference No. 1102-100

I am an employee of Cisco Systems in San Jose, California and am respectful requesting that you DO NOT force companies to expense stock options.

I have worked at Cisco for over 10 years and that fact that we are offered stock options is one of the reasons why. I feel a sense of ownership due to the stock options granted me which not only increases my productivity but also my pride and excitement in my company. This is a company that I am proud to be a part of. Knowing that I own a part of Cisco certainly makes me a more conscientious employee, one that really cares about its fate. This simply makes me work harder to ensure I am able to produce results for not only myself, but for other shareholders. Without the stock options that I have been granted in past years, I would not have been able to purchase my own home, put money away for my children's education and make many other critical important life decisions.

Forcing companies to expense stock options will simply force Cisco to eliminate them as a tool that helps drive innovation and productivity. I'm not willing to give that up! Stock options do not even meet the definition of an expense since they do not use company assets. Aside from the financial aspects, with such intense competition in our market, U.S. companies need stock options to compete.

Once again, I request that you DO NOT force companies to expense stock options!!

Sincerely, Elizabeth White Baumuller Cisco Systems, Inc.

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