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Letter of Comment No: 3699  
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**From:** Ron Biell [rbiell@cisco.com]  
**Sent:** Thursday, June 10, 2004 3:06 PM  
**To:** Director - FASB  
**Subject:** File Reference No. 1102-100

Dear Chairman Robert H. Herz,

I strongly urge you to reconsider the current proposal to require companies to expense stock options. This measure would significantly weaken the competitiveness of U.S. high tech companies. As you know, companies in rival economies such as China award stock options to their employees and do not expense them. If U.S. companies were required to expense stock options, they would most likely eliminate or severely restrict the use of stock options as incentive. In that case, many outstanding employees would not be motivated to stay with a given company as long as they would be with the potential of profiting from stock options.

Having the opportunity to purchase company stock gives employees a vested interest in the success of a company and motivates them to be more productive. This, in turn, benefits the U.S. economy and increases government revenues. Therefore, stock options should not have to be expensed.

Rgds,

Ronald L. Biell

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