

Stacey Sutay

Letter of Comment No: 286
File Reference: 1102-100

From: Rich Reiner (rreiner) [rreiner@cisco.com]
Sent: Monday, April 19, 2004 6:49 PM
To: Director - FASB
Cc: Rich Reiner rreiner
Subject: File Reference No. 1102-100 - Expensing Stock Options

Dear Chairman Robert H. Herz -

I am writing to you about my concerns in regards to FASB's proposal to require Companies like Cisco to expense the Stock Options they provide their workers as an incentive to strive harder, achieve higher goals and share in ownership of the company. When these companies and their employees do strive harder and achieve those goals, it's not only the company and employees that benefit, but the industries they participate in, and more importantly the nation as a whole.

Given that, it is hard to imagine, especially during current times where our nation is running at such an enormous deficit, that actions like this would be taken that could and will only add to those economic woes. In addition to the current economic impacts, I believe that this would have devastating long-term impacts, not only economically, but on the US' ability to compete with other countries on a global basis.

This proposed course of action in-turn would lessen or eliminate our nation's high tech leadership, innovation and job creation strengths only for us to become subservient to those Nations that would inherit / possess such strengths in the future. It's not too far-fetched to think that some day the US could become the 'off-shore resources' for these up and coming powerhouse Nations.

For the economic health of our Nation I hope your Board reconsiders this proposal and refrain from requiring Companies to expense Stock Options.

Best Regards,

/rnr