

Stacey Sutay

Letter of Comment No: 257
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From: Alberto Aldana [aaldana@cisco.com]
Sent: Monday, April 19, 2004 6:34 PM
To: Director - FASB
Cc: savestockoptions@cisco.com
Subject: File Reference No. 1102-100

Dear Chairman Robert H. Herz,

If your require companies to expense stock options, American companies will stop giving out broad-based employee stock options because they will appear as an excessive expense and scare away investors. Consequently, employees will no longer work beyond 40 hours per week unless companies pay overtime for extra hours. Companies will not have enough money to pay overtime for a long time and employees will stop working the necessary time to complete projects. Without completing projects, companies cannot survive in a world wide competition. The only possibility that companies have for survival is to exploit cheap professional labor in foreign countries.

Please allow me to explain why I believe that companies will not have enough money to pay overtime for a long time. I already worked in that kind of environment when I worked at Lockheed Martin Missiles and Space Company. I noticed that all programs at Lockheed experienced a similar pattern. Programs paid overtime for about half a year and then ran into financial problems so that they had to roll people off after one year. When overtime pay was no longer available, nobody worked extra hours and programs delayed delivery of the product. This result may have been acceptable for a company who had a fixed customer. However, it is not acceptable nor safe for a company who must compete worldwide for customers.

As a Cisco employee, I will share the benefit and risk of my company. I will accept the financial benefits via stock options when my company performs well. When my company needs to be frugal because the economy is cloudy and risky, I will not expect it to drain its money by paying people overtime. I am asking you, Mr. Herz, please do not remove from me the opportunity to participate in risks and earn benefits in a strong American company.

Thank you for your attention.

Sincerely,
Alberto Aldana
Cisco Systems, Inc.
Manufacturing Test Development Engineer
BSEE University of California, Los Angeles 1992
MSEE Santa Clara University 1999