

COALITION TO PRESERVE AND PROTECT STOCK OPTIONS

(PROMOTING INNOVATION AND ECONOMIC GROWTH THROUGH EMPLOYEE OWNERSHIP)

AND

INTERNATIONAL EMPLOYEE STOCK OPTION COALITION

June 2, 2003

The Honorable John Ensign
United States Senate
364 Russell Senate Office Building
Washington, DC 20510

The Honorable David Dreier
U.S. House of Representatives
237 Canon House Office Building
Washington, DC 20515

The Honorable Barbara Boxer
United States Senate
112 Hart Senate Office Building
Washington DC 20510

The Honorable Anna Eshoo
U.S. House of Representatives
205 Canon House Office Building
Washington, DC 20515

**Re: S. 979 & H.R. 1372, the Broad-Based Stock Option Plan
Transparency Act of 2003**

Dear Senators Ensign and Boxer and Representatives Dreier and Eshoo:

We, the undersigned trade associations, write on behalf of our broad and diverse membership to express our strong support for the Broad-Based Stock Option Plan Transparency Act of 2003, that you introduced in your respective chambers. We commend you for your leadership on this issue, which is of vital importance to the continued competitiveness of the U.S. economy and the productivity of its rank and file workers. Your legislation, when enacted, will help preserve the ability of U.S. companies to use stock options to make their employees true partners in the enterprise.

As you know, some who seek to require that stock options be expensed in financial statements, such as the FASB, disclaim any obligation to examine the impact on the U.S. economy and its competitiveness. However, you rightly recognize that the rule-making bodies governing accounting for stock options are moving without due process and are failing to consider many important issues. Your legislation provides a mechanism for making sure that all aspects of accounting for stock options are considered thoroughly before any new rules are implemented.

We thank you again for your leadership on this issue.

Sincerely yours,

AeA (American Electronics Association)
American Benefits Council
American Business Conference
Association for Competitive Technology
BIOCOM
Biotechnology Industry Organization
Business Software Alliance
California Healthcare Institute
Fabless Semiconductor Association (FSA)
Financial Services Roundtable
Information Technology Association of America
Information Technology Industry Council (ITI)
LPA, the HR Policy Association
National Association of Manufacturers
National Retail Federation
National Venture Capital Association
San Diego Software Industry Council
Semiconductor Equipment and Materials International
Semiconductor Industry Association
Software & Information Industry Association
Software Council of Southern California
Software Finance and Tax Executives Council
U.S. Chamber of Commerce
WSA (formerly the Washington Software Alliance)