

January 20, 2004

The Honorable Barbara Boxer
U.S. Senate
112 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Richard Baker
U.S. House of Representatives
341 Cannon House Office Building
Washington, D.C. 20515

The Honorable John Ensign
U.S. Senate
364 Russell Senate Office Building
Washington, D.C. 20510

The Honorable David Dreier
U.S. House of Representatives
237 Cannon House Office Building
Washington, D.C. 20515

The Honorable Michael B. Enzi
U.S. Senate
379A Russell Senate Office Building
Washington, DC 20510

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

The Honorable Harry Reid
U.S. Senate
528 Hart Senate Office Building
Washington, D.C. 20510

Dear Senators Boxer, Ensign, Enzi and Reid and Representatives Baker, Dreier and Eshoo:

The undersigned organizations strongly support S. 1890 and H.R. 3574, the Stock Option Accounting Reform Act. We appreciate your thoughtful leadership on this issue and your unwavering commitment to preserving and expanding broad-based employee stock option plans.

S. 1890 and H.R. 3574 would require the expensing of options for top executives of established companies but not for rank-and-file workers. The legislation recognizes that broad-based plans are a powerful tool for attracting and retaining talented workers. It would preserve the tremendous benefits of broad-based plans for start-up companies and their employees. Finally, the legislation would help ensure that financial statements are not distorted by including the grossly inaccurate and unreliable numbers that current option pricing models generate.

Enactment of this legislation in 2004 is vital because the continued use of broad-based stock option plans encourages innovation and entrepreneurship and ensures that the United States will retain its global technological economic supremacy. We applaud your leadership and commitment and stand ready to assist you in any way possible.

Sincerely,

American Benefits Council

The Council is a public policy organization representing principally Fortune 500 companies and other organizations that assist employers of all sizes in providing benefits to employees. Collectively, the Council's members either sponsor directly or provide services to retirement and health plans that cover more than 100 million Americans.

American Business Conference (ABC)

The American Business Conference (ABC) is a Washington-based coalition of CEOs of midsize, high growth American companies. ABC members advocate public policies designed to promote economic growth and a higher standard of living for all Americans.

ABC is currently chaired by Alfred P. West, Jr., CEO of SEI Investments, Oaks, Pennsylvania.

American Electronics Association

AeA is the nation's largest high-tech trade association. It has more than 3,000 member companies that span the high-technology spectrum, from software, semiconductors, and computers to Internet technology, advanced electronics, and telecommunications systems and services.

Biotechnology Industry Organization

BIO represents more than 1,000 biotechnology companies, academic institutions and state biotechnology centers and related organizations.

Business Software Alliance

The BSA is the foremost organization dedicated to promoting a safe and legal online world. It is the voice of the world's software, hardware and Internet sectors before governments and with consumers in the international marketplace. BSA members represent the fastest growing industries in the world. BSA educates computer users on software copyrights and cyber security; advocates public policy that fosters innovation and expands trade opportunities; and fights software piracy. Established in 1988, BSA has programs in 65 countries worldwide.

Computing Technology Industry Association (CompTIA)

CompTIA, the Computing Technology Industry Association, represents more than 15,000 computing and communications companies and thousands of technology workers in over 50 countries.

Information Technology Association of America (ITAA)

The information technology association representing nearly 500 companies in the IT industry -- the enablers of the information economy.

Information Technology Industry Council (ITI)

ITI is the leading voice of the high-tech industry. ITI promotes policies that advance industry leadership in technology and innovation, open access to new and emerging markets, support e-commerce expansion, protect consumer choice, and enhance the global competitiveness of its member companies.

The National Venture Capital Association (NVCA)

The National Venture Capital Association represents over 450 venture capital and private equity organizations. NVCA's mission is to foster the understanding of the importance of venture capital to the vitality of the U.S. and global economies, to stimulate the flow of equity capital to emerging growth companies by representing the public policy interests of the venture capital and private equity communities at all levels of government, to maintain high professional standards, facilitate networking opportunities and to provide research data and professional development for its members.

SEMI

Based in San Jose, California, SEMI is an international industry association serving more than 2,500 companies participating in the semiconductor and flat panel display equipment and materials markets.

The Semiconductor Industry Association (SIA)

The SIA is the leading voice for the semiconductor industry and has represented U.S. semiconductor companies since 1977. Collectively, the chip industry employs a domestic workforce of 255,000 people. More information about the SIA can be found at www.sia-online.org.

Software Finance and Tax Executives Council

The Software Finance and Tax Executives Council provides industry focused public policy advocacy in the areas of tax, finance and accounting.

Software Industry Information Association (SIIA)

The Software & Information Industry Association (SIIA) is the principal trade association for the software and digital content industry. SIIA's more than 600 members are software companies, ebusinesses, and information service companies, as well as many electronic commerce companies, ranging from the largest and oldest technology enterprises in the world, to smaller and newer companies.

The Technology Network (TechNet)

TechNet is a national network of more than 200 chief executive officers and senior partners of the nation's leading technology companies in the fields of information technology, biotechnology, venture capital, investment banking and law.