

**Congress of the United States**  
Washington, DC 20515

September 15, 2004

President George W. Bush  
The White House  
Washington, D.C. 20010

Dear President Bush,

We are writing to urge you to actively lead, support and engage in the effort to pass the *Stock Option Accounting Reform Act*.

The House of Representatives recently passed H.R. 3574, the *Stock Option Accounting Reform Act* (Baker-Eshoo), by an overwhelmingly bipartisan margin of 312-111, with solid majorities of both parties voting in favor of the legislation. What we need now is your active support to move this legislation, which is vital to our economy, through the Senate.

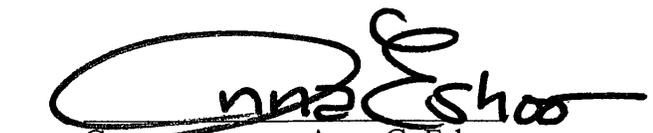
Most recently, two independent organizations – the Employment Policy Foundation and the HR Policy Association – came out strongly against the proposal by the Financial Accounting Standards Board (“FASB”) to expense all employee stock options. These expert organizations are particularly concerned that FASB’s proposal will harm rank-and-file workers, severely undermine employee ownership, and negatively impact U.S. productivity.

You recently spoke about your vision for creating an “ownership society.” Expensing stock options, as the FASB has proposed, directly threatens rank-and-file worker opportunities to participate in the ownership of the fruits of their labor. In an interview with the *Wall Street Journal* in April 2002, you said that stock options should not be treated as a corporate expense. Instead, you argued, “they ought to be dilutive in [a company’s] earnings per share calculations.”

We strongly request that you reaffirm this sound position and exert your leadership to get this critical legislation passed in the Senate before the 108<sup>th</sup> Congress adjourns. We look forward to your timely response.

Sincerely,

  
Senator Barbara Boxer

  
Congresswoman Anna G. Eshoo