



March 20, 2003

Representative David Dreier
United States House of Representatives
237 Cannon House Office Building
Washington, DC 20515

Representative Anna Eshoo
United States House of Representatives
205 Cannon House Office Building
Washington, DC 20515

Re: **Broad-Based Stock Option Plan Transparency Act of 2003**

Dear Representatives:

On behalf of AeA, I write in support of your introduction of the Broad-Based Stock Option Plan Transparency Act of 2003. This legislation will have a direct effect on our members, and AeA appreciates your efforts to promote the continuation of stock options to the rank and file workforce.

The majority of AeA's public companies utilize broad-based stock options to attract and retain a highly skilled workforce. We continue to believe that any attempt to mandate the expensing of options is misleading and inaccurate because there are no models that can accurately compute a "cost" of the options. Accordingly, we strongly support your legislation to help inform investors with clear and accurate information on stock options. By enhancing meaningful disclosure, your legislation will improve investor confidence.

AeA agrees that the only "cost" of issuing employee stock options is borne by existing shareholders in the form of potential dilution. Accordingly, as your legislation outlines, this information should be fully and completely disclosed. Today, investors are looking for more comprehensive information on stock options and their dilutive impact, more frequently, more consistently and all in one place. Such enhanced disclosure will provide shareholders with a "one-stop shopping" approach that presents relevant information about stock options in a separate section of company quarterly SEC filings in a series of easy-to-read tables and charts.

Advancing the business of technology, AeA is the nation's largest high-tech trade association. AeA represents more than 3,000 companies with 1.8 million employees. These 3000+ companies span the high-technology spectrum, from software, semiconductors, medical devices and computers to Internet technology, advanced electronics and telecommunications systems and services.

Thank you for introducing this legislation, and AeA strongly supports its prompt enactment by Congress.

Sincerely,

William T. Archey
President and CEO