

TO: Board members, T. Lucas, J.T. Ball, D. Mosso, Stock Compensation team FROM: W. Upton

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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
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WASHINGTON, DC 20510-8075

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October 12, 1993

Mr. James J. Leisenring
Vice Chairman
Financial Accounting Standards Board
401 Merritt Seven
P.O. Box 5116
Norwalk, CT 06856-5116

Dear Mr. Leisenring:

We are writing to confirm the invitation to you to testify before the Securities Subcommittee on October 21, 1993 at our hearing on accounting for employee stock options. The hearing will begin at 10:00 a.m. in Room 538 of the Dirksen Senate Office Building.

The hearing will focus on the recent Financial Accounting Standards Board (FASB) Exposure Draft "Accounting for Stock-based Compensation." We are asking that your testimony address (1) the extent to which issuers grant employee stock options (including any variation in programs depending upon the size of or other characteristics of various issuers), (2) the impact of the FASB proposal on the issuers described in (2), and (3) the merits of the accounting principles and the concepts upon which the FASB proposal is based.

In order to accommodate the large number of organizations who have asked to be heard on this issue, your panel will consist of 8 to 10 business leaders, investor representatives and a representative of the FASB. A "roundtable" format will be used, with each witness making an opening statement of not more than three minutes, followed by questions from Senators to various members of the panel.

Your written testimony may be of any length and will be included in full in the hearing record. If your written testimony exceeds 10 pages, we would appreciate your submitting a two-page summary of your statement, highlighting the major points. Please deliver 120 copies of your statement

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to Room 534 Dirksen Senate Office Building by 5:00 p.m. on Tuesday,
October 19, 1993.

If you have any questions about the hearing, please feel free to call us,
or contact Marti Cochran, Wayne Abernathy or Sheila Duffy of the
Subcommittee staff at (202)224-7391.

Thank you very much for your assistance. We look forward to your
appearance before the Subcommittee on this important issue.

With best wishes,

Sincerely yours,

PHIL GRAMM
Ranking Republican Member
Securities Subcommittee

CHRISTOPHER J. DODD
Chairman
Securities Subcommittee