

United States Senate

WASHINGTON, DC 20510

September 28, 2004

The Honorable Alan Greenspan
Chairman
The Federal Reserve
20th and C Streets, NW
Washington, D.C. 20551

Dear Chairman Greenspan:

As you are aware, some persons are lobbying Congress to enact legislation to block efforts by the Financial Accounting Standards Board (FASB) to require the expensing of stock options.

As the end of this legislative session nears, I believe that Members of Congress would benefit from your perspective on this issue and your expanded thoughts on both the role of accounting principles in our capital markets and stock option expensing. I also believe Members of Congress would benefit from your views on the implications that would result from Congressional interference in FASB's rulemaking process. I hope you can provide this guidance on an urgent basis in light of efforts to convince Congress to consider this legislation.

Thank you for your attention to this matter.

Sincerely,



John McCain



Carl Levin