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April 12, 1993

Dennis Beresford
Chairman, Financial Accounting Standards Board
401 Merritt 7
Norwalk, CT 06856

Dear Mr. Chairman:

I recently received a copy of the FASB/KPMG Peat Marwick Field Test of the Exposure Draft, Accounting for Stock-Based Compensation.

As you are aware, one of the stated objectives of the Field Test was to "Learn about the effects of the Exposure Draft on individual companies." We have discussed in the past my concerns regarding the impact of this proposal on small firms and I was hoping the field test would shed some additional light on the Exposure Draft in this area.

To that end, a member of my staff called FASB requesting some more specific information regarding the size of companies which participated in the study. The Field Test categorized companies by 1992 revenues as follows:

1992 Revenue Dollars	Number of Companies
Under 250m	6
250m - 5b	6
5b - 15b	9
More than 15b	4

Surely you would agree that \$250 million in revenues is a fairly large firm and I do not believe I have ever seen the category \$250 million to \$5 billion. My staff was told that to further break down Field Test participants by company size would somehow breach the confidentiality of the firms that participated and give away their identity. Given the fact that there are well over 2 million public companies that fit within the category of less than \$500 million in revenues, I fail to see how further

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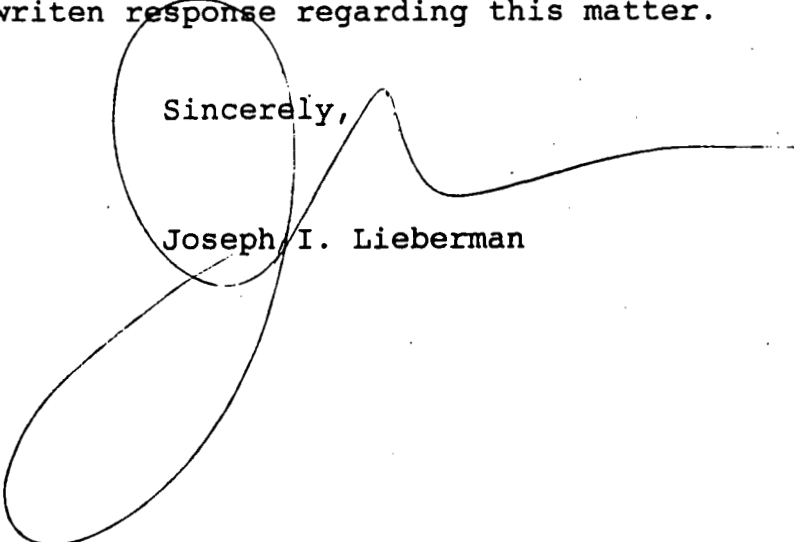
breaking down the size of the companies which participated could give away their identity. Specifically, I would like to see how many firms with revenues of less than \$100 million participated in the study.

The effect of stock price volatility and dividend yield, not to mention the cost of compliance, are clearly small business-specific issues. Naturally I would respect any commitment of confidentiality made between the FASB and the participant companies, but to suggest that one could identify a single firm's identity out of the several hundred thousand public companies in the under \$100 million size class, strikes me as somewhat absurd.

I would appreciate a written response regarding this matter.

Sincerely,

Joseph I. Lieberman

A large, stylized handwritten signature in black ink, written over the typed name "Joseph I. Lieberman". The signature is highly fluid and loops around the typed name, extending to the right and then curving back down and left.