

JOHN McCAIN
ARIZONA

cc: Board, TSL, JTB, DM, Upton, DGH, Stock Comp Team, 46
Daily carbons

United States Senate

WASHINGTON, D.C. 20510

May 13, 1994

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Mr. T. J. Rodgers
President & CEO
Cypress Semiconductor Corp.
3901 North 1st Street
San Jose, California 95134

Dear Mr. Rodgers:

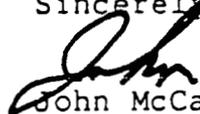
Thank you for contacting my office to let me know of your concern regarding proposals under consideration by the Financial Accounting Standards Board (FASB). I appreciate your taking the time to do so.

I understand your concerns and I agree that there are a number of problems and consequences with forcing companies to charge against earnings, the estimated cost of stock options granted to employees. I believe that doing so would have a number of negative impacts on industry and employees alike.

Recently, the Senate adopted a resolution that: 1) urged FASB to maintain its independence; and 2) urged it to reconsider the proposal it was debating. Although I am not in favor of Congressional micromanagement and intervention in independent organizations such as FASB, Congress needed to express its position on this matter. It is my understanding the change FASB was considering will not move forward.

Again, I thank you for contacting me. Please don't hesitate to do so in the future on this or any other subject of concern.

Sincerely,



John McCain
United States Senator

JM/jd

→ Dennis Borsford, FVT

