

**STATEMENT FOR THE RECORD OF JAMES P. HOFFA  
GENERAL PRESIDENT  
INTERNATIONAL BROTHERHOOD OF TEAMSTERS  
Before the  
SUBCOMMITTEE ON CAPITAL MARKETS, INSURANCE, AND  
GOVERNMENT SPONSORED ENTERPRISES  
COMMITTEE ON FINANCIAL SERVICES  
UNITED STATES HOUSE OF REPRESENTATIVES  
Wednesday, March 3, 2004**

On behalf of the International Brotherhood of Teamsters, I appreciate this opportunity to comment on H.R. 3574, "The Stock Option Accounting Reform Act". I would like to register the Teamster's opposition to the Bill and request that this testimony be made part of the official record of this hearing.

The International Brotherhood of Teamsters (IBT) represents 1.4 million active members and over 600,000 retirees. Our Union, through its individual pension and health and welfare benefit trusts, has assets over \$100 billion. Therefore, our Union's support for regulatory and statutory changes as they relate to the rights and benefits of equity owners of listed corporations should carry a particular significance with lawmakers.

As you are well aware there have been several Bills introduced, in addition to the one being discussed at the March 3<sup>rd</sup> hearing, to stop or curtail the Financial Accounting and Standards Board's (FASB) project that will require the expensing of the fair value of stock options granted to employees. FASB is expected to come out with a final rule on the accounting of stock options sometime in mid-March. This final rule will be the result of an exhaustive process in which FASB has consulted with corporations, users of financial statements and experts in the field of accounting to determine the best method to account for employee stock options in corporate balance sheets. These bills being considered by Congress would, if enacted, impair FASB's independence by overriding FASB's independent and objective decisions about how and when to improve the accounting for employee stock options.

This is not the first time FASB has attempted to require appropriate expensing of stock options. In the mid-1990's FASB attempted to require option expensing, but was pressured by Congress to abandon its position.

This thwarting of FASB's role as an independent body did nothing to protect shareholders from the corporate collapses that have plagued investors over the past several years. This time, we hope that Congress will respect FASB's independence and not interfere with a process that we believe will result in providing shareholders with more transparent financial statements.

We appreciate the opportunity to present our views on this important matter. Please contact the IBT's Office of Corporate Affairs at (202) 624-8100 should you have any questions about our position on this important issue of corporate governance reform.