CBOE
CHICAGO BOARD OPTIONS EXCHANGE

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Via Electronic Submission

Ms. Nancy M. Morris
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Comment Letter to SR-BSE-2008-14

Dear Ms. Morris:

Chicago Board Options Exchange, Incorporated ("CBOE") is submitting this comment letter with respect to SR-BSE-2008-14.[1] This filing proposes to amend Section 10 (Terms of Index Options Contracts) of Chapter XIV of the Boston Option Exchange ("BOX") Rules to allow for the listing of up to seven expiration months for options on certain broad-based indexes.

CBOE does not object to the rule change requested by the Boston Stock Exchange ("BSE") – namely, that BSE will be allowed to list the same number of index option expiration months as CBOE is allowed to list. CBOE objects, however, because it is incorrect for BSE to assert that the amendment to Section 10 of Chapter XIV of the Box Rules would permit BSE "to list up to seven (7) expiration months at any one time for any broad-based securities index option contract upon which any exchange calculates a constant three-month volatility index." (emphasis added). To support its claim, BSE provides examples of broad-based security indexes and specifically lists the S&P 500 ("SPX"), Dow Jones Industrial Average ("DJX"), Nasdaq-100 ("NDX") and Russell-2000 ("RUT") indexes. However, BSE is not legally entitled to trade SPX or DJX options, because CBOE has the exclusive license to do so. Because BSE may not legally trade any expiration months for SPX or DJX options, BSE's rule change should not imply to the

1 Securities Exchange Act Release No. 57570 (March 27, 2008), 73 FR 18015 (April 2, 2008) (SR-BSE-2008-14).

CBOE previously submitted comment letters with respect to three other similar filings. See Securities Exchange Act Release Nos. 57104 (January 4, 2008), 73 FR 2070 (January 11, 2008) (SR-ISE-2007-113); 57284 (February 7, 2008), 73 FR 8387 (February 13, 2008) (SR-NYSEArca-2008-16); 57446 (March 7, 2008), 73 FR 14282 (March 17, 2008) (SR-Amex-2008-13).

contrary, much less suggest that BSE actually may add expiration months for those options classes.[2]

CBOE appreciates the opportunity to provide these comments. Should you require any further information, please do not hesitate to contact the undersigned.

Sincerely,

Jennifer L. Yeadon

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cc: Joanne Moffic-Silver
Jordan Newmark

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2 There are no such options contracts to which the proposed rule change currently would apply. CBOE is the only exchange that calculates volatility indexes, and CBOE currently calculates only one three-month volatility index – namely, the CBOE S&P 500 Three-Month Volatility Index based on SPX options, which are not multiply-listed. No exchange currently calculates a three-month volatility index based on any multiply-listed broad-based securities index option contract, including any such volatility index based on NDX or RUT options. See Securities Exchange Act Release No. 56821 (November 20, 2007), 72 FR 66210 (November 27, 2007) (SR-CBOE-2007-82).