

April 1, 2005

Mr. Jonathan G. Katz  
Secretary  
U.S. Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549-0609

**Re: File Number 4-497**

Dear Mr. Katz:

This letter is submitted on behalf of Boston Properties, Inc. in response to your request for comments relating to the experiences of registrants, accounting firms and others in implementing the new internal control requirements under Section 404 of the Sarbanes-Oxley Act of 2002 ("Section 404").

Overall, we believe the adoption and implementation of Section 404 has emphasized the importance of effective controls, enhanced the controls surrounding the preparation of financial statements and reinforced the integrity of the underlying data and information included in the financial statements and related disclosures. However, while the process creates a heightened realization of the serious nature of financial statements as controls for a public company, it also has necessitated significant additional documentation and bureaucracy that has impacted our organization. In your review and consideration of the process, we have some suggestions that we believe will lessen the burden and costs on the internal and external resources of the registrants without compromising the benefits that have been realized.

Under the new procedures governing internal controls over financial reporting, registrants must create and maintain substantial amounts of evidential documentation to validate that key controls over the review process exist and are operating as designed. We believe under the accelerated filing deadlines that will phase-in in 2006, there will be a significant burden placed on the preparers and reviewers of the registrant's financial statements in order to meet these earlier filing requirements. Specifically, the review of the balance sheet and operating statement and supporting disclosures is an involved process which requires the channeling of the documents to various employees throughout the organization for their input. Once this process is completed comments need to be assembled and presented to the disclosure committee for their consideration, all of which occurs prior to providing our independent

accountants with financial data for their own review. This process from preparation to disclosure committee to senior management approval to auditor sign-off is time consuming when performed properly, and shortening the period that registrants have to file could diminish the integrity of the financial statements. Accordingly, we recommend maintaining the current filing deadlines at 75 days for Form 10-K and 40 days for Form 10-Q.

In addition, we understand that the audit process is and will continue to be judgmental and tailored to the specific size, industry, structure and complexity of an organization. We believe it would be helpful, however, to have specific published guidance (e.g., in the form of FAQs) related to specific documentation, testing requirements and evaluation of deficiencies under Section 404. This guidance could address, among other things, the following:

- appropriate sample sizes related to testing of key controls,
- materiality thresholds relating to the determination of areas to be documented and tested. For example, we are in the real estate industry, which is a capital intensive enterprise. We believe that a materiality metric focusing solely on GAAP net income without giving consideration to total assets or liabilities, for example, may unnecessarily increase the number of financial statement accounts that must be documented and tested by management and our independent accountant.
- auditor reliance on registrant testing,
- necessity of the implied requirement to remediate all significant deficiencies without consideration of the costs and benefits involved,
- greater reliance, as well as increased authoritative guidance, on inquiry and observation as a form of evidence that a specific control exists and is functioning, in order to prevent the process from simply becoming a formality and not evidence of a proper review,
- greater tolerance for the type of human error that could reasonably be expected to occur in situations involving the compilation of large amounts of data,
- auditor reliance on results of prior year testing, which could include a requirement that the external audit opinion must be issued every two years instead of every year,
- further guidance on the approach for testing and evaluating deficiencies for entity level controls, and

- consideration of modified rules depending on the risks inherent to the type of business/industry. For example, given the predictive nature of real estate operations, certain cost-benefit considerations involving the general computer controls and segregation of duties matters should be evaluated and reconsidered.

We believe such guidance will provide greater certainty to registrants and accounting firms and reduce the disparity in documentation, evaluation of deficiencies and testing among registrants. Also, this guidance would enable registrants to refine their processes and spend their time more efficiently.

We thank you for giving us an opportunity to provide feedback on our experience and the consideration that you will give to our comments as you contemplate possible changes to the existing regulations. We look forward to hearing the results of your deliberations.

Sincerely,



Arthur S. Flashman  
Vice President, Controller and  
Principal Accounting Officer



Lori Silverstein  
Assistant Vice President and  
Director of Internal Audit

Cc: Edward H. Linde, President and Chief Executive Officer  
Douglas T. Linde, Executive Vice President and Chief Financial Officer