

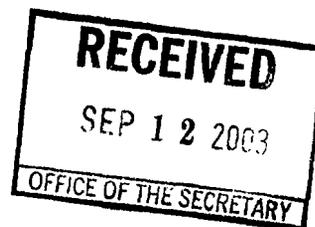


STATE STREET.
For Everything You Invest In™

State Street Global Markets, LLC
225 Franklin Street
Boston, MA 02110

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September 10, 2003



Mr. Jonathan G. Katz
Secretary
Securities and Exchange Commission
450 5th Street, NW
Washington, DC 20549-0609

Reference: File #SR-BSE-2002-15 – “Boston Stock Exchange, Inc. Filing to Establish Trading Rules for the Boston Options Exchange Facility”

Dear Mr. Katz:

Please accept this letter on behalf of State Street Global Markets, LLC (“SSGM”) as a letter of support in favor of the Boston Options Exchange (“BOX”) facility. This letter of support is a follow-up to our original letter that was sent to you back in April 2003.

SSGM, a wholly-owned subsidiary of State Street Corporation and an affiliate to State Street Bank and Trust Company and State Street Global Advisors, is an SEC registered broker-dealer and a member of the NASD and Boston Stock Exchange. Currently, SSGM effects approximately 300 – 400 customer options transactions per month on an agency basis. As a financial institution with a customer base that consists of both institutional and retail clients, SSGM continually strives to provide better execution quality and transactional services to our customers at the lowest possible costs.

SSGM, after thoroughly reviewing the model, strongly feels that the BOX facility will be an improvement over the current floor based exchanges in which options are currently traded. The BOX, just by its open market structure, will assist SSGM in providing for better quality executions for options trading. The unfettered and equal access to the order book that provides for strict time/price priority will allow all options trades to be executed at or better than the NBBO. This feature, in the current environment that involves a great focus on “best execution”, will allow for greater execution quality of customer trades. The full automation that includes straight through processing of transactions and the minimal cost of entry will provide for lower executions costs and create the opportunity for SSGM to pass savings on to our customers. We believe the BOX platform offers the possibility of providing superior execution capabilities relative to other electronic exchanges (ISE). The greatest advantage of the BOX platform is more exposure to a greater number of market participants, which should, in turn, provide for greater opportunity for price improvement and liquidity.

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The ability to execute even complex option strategies, at the best price provided by the largest grouping of participants at reasonable costs, leads us to believe that the BOX platform will become a market of choice for a large portion of the investing public. One notable improvement of the BOX over the existing exchanges is that the membership structure is very open and cost effective, encouraging an unlimited number of liquidity providers to compete for our clients' business. More competition results in tighter spreads and deeper markets, both of which benefit clients.

In conclusion, based upon the factors mentioned above, SSGM is in strong support of the BOX facility and feels that it will greatly improve the marketplace for options trading. We greatly anticipate the introduction of this new alternative to the floor based exchange and strongly urge SEC to move forward with approval.

Sincerely,

A handwritten signature in black ink, appearing to read "Nick Bonn", with a long horizontal flourish extending to the right.

Nicholas J. Bonn
Executive Vice President and CFO
State Street Global Markets, LLC