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December 1, 2008

Mr. Michael Cahill
President and Chief Operating Officer
One N. Wacker Drive, Suite 500
Chicago, Illinois 60606

Dear Sir,

I am writing to express our concern with the current timeline for implementation of the Options Symbolology Initiative ("OSI"). Schwab believes that the testing and rollout schedule, currently targeting February 2010 for final launch, should be delayed at least nine months to allow firms to allocate scarce resources in a manner that best suits each firm. Although we have expressed our views to OCC staff in recent weeks, we continue to hear from OCC staff that no firm wants to see a delay in the timetable. Therefore, we are formally communicating our desire for delay.

In March of this year, the OCC Board of Directors postponed the implementation of OSI based on the then current financial environment. While we understand that further delay impacts the resolution of issues facing the option industry, the present financial environment is far worse than it was in March and warrants a further delay in this initiative. This delay, however, is not based on a desire to re-design the structure of OSI. We support the 21 character format and look forward to its implementation at the end of 2010.

From a pragmatic perspective, we think firms face greater priorities at this moment. Requiring firms to devote extensive resources to a project that does not improve revenue generation cannot be a priority. We believe other firms share this view. Across the financial industry, firms are being reorganized, reducing technology staff, re-evaluating projects and planning for a year that all agree is going to be extremely difficult. At great cost, the OSI project requires extensive re-programming throughout a firm's systems, particularly for firms with significant retail businesses where changes are required for order entry, quotes, confirms, statements, trade clearing and books and records - to name just a few. We think the prudent path is to postpone development of the OSI for at least 9 months to allow firms to focus on more urgent issues.

I would be pleased to discuss our views with you or your staff at your convenience. Feel free to contact me or Tony McCormick at 312-931-1320.

Sincerely,

Jeffrey T. Brown

