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March 25, 2004

Ms. Jean Webb  
Secretary  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

Re: U.S. Futures Exchange, L.L.C. Market Supervision

Dear Ms. Webb:

Reference is made to the Response to Integrated List of Commodity Futures Trading Commission ("CFTC") Questions (November 5, 2003) in which U.S. Futures Exchange, L.L.C. ("Eurex US" or the "Exchange") indicated to the CFTC that real-time market supervision would be conducted from Chicago during regular exchange trading hours. Market supervision involves the administration of the trading platform, including opening and closing markets, handling trading halts due to volatility interruptions, resolving mistrades, switching from normal to fast markets and back and maintaining the proper operation of the Trading System. Such supervision includes what Eurex US characterizes as "overnight trading," i.e., trading that occurs during the hours of 12:00 A.M. through 7:00 A.M., CST.

Upon a review of the staffing requirements of Eurex US during overnight hours and in light of the low volume occurring during this period of time, the Exchange has determined that it would be most efficient to conduct market supervision in Frankfurt, Germany at the offices of Eurex Frankfurt, A.G., from 12:00 A.M. through 7:00 A.M., CST. This procedure is, in fact, consistent with the market supervision practice utilized at the Chicago Board of Trade ("CBOT") when Eurex Frankfurt A.G. provided market supervision for the a/c/e trading system. At that time, not only was market supervision conducted out of Frankfurt during the overnight hours, but also the entire market supervision function was managed in Frankfurt for CBOT during day-time trading hours. It should be noted that all market surveillance functions, e.g., trade practice, market and financial surveillance, will be unaffected by this proposed change and will continue to be conducted by the National Futures Association out of Chicago.

Eurex Frankfurt A.G. has indicated its agreement to perform these services under the current contract that it has with Eurex US.

Please do not hesitate to contact us with any questions.

Very truly yours,

James M. Falvey  
General Counsel

## Eurex US Circular

Beginning on April 1, 2004 and continuing through June 30, 2004, Eurex US will take the following actions:

- Eurex US will move its market supervision function to Frankfurt, Germany from 12:00 A.M. to 7:00 A.M., CST to be conducted by Eurex Frankfurt A.G.
- Eurex US will move the overnight market supervision function back to Chicago should the overnight trading volume average 50,000 contracts or above per night for at least two weeks in a row, irrespective of the April 1- June 30<sup>th</sup> period described above.
- At the end of this period, Eurex US will review with the CFTC staff whether to continue the overseas overnight market supervision.