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January 11, 2005

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

Re: U.S. Futures Exchange, LLC — Trading Incentive Programs – Changes to  
U.S. Treasury Futures Program

Dear Ms. Webb:

On December 27, 2004, U.S. Futures Exchange, LLC (“Eurex US” or the “Exchange”) filed self-certification documents under Commodity Futures Trading Commission (“Commission”) Regulation 40.6. That filing, among other things, detailed a supplement to the Exchange’s trading incentive program for its U.S. Treasury complex. By this letter, the Exchange is making changes to this supplemental program. The changes are designated in the table below:

Program Terms	2004 (Current Incentive Program)	2005 Treasury Futures Incentives	Russell Products Incentives
Fee Holiday (Applies to all trades)	Feb. - Dec. 2004	None (\$0.05 per contract flat rate in effect)	Feb. - Apr. 2005 (Permanent Pricing TBD)
Core Hour <sup>1</sup> MM Product Trading Requirement	2 of 4 Treasury Futures Products of MM Choice	Choice of Short-Term (2Y, 3Y, 5Y) or Long-Term (10Y, 30Y)	Both Russell 1000 and 2000 Futures
MM Bid/Ask Spreads <sup>2</sup>	2-4 Ticks depending on product liquidity	2-3 ticks depending on liquidity	3 Ticks
MM Minimum Contract Size	2Y: 10; 5 and 10Y: 25; and 30Y: 20 or 10 depending on spread size	2Y: 10, 3Y: 30, 5Y: 40, 10Y: 40, and 30Y: 15	15 contracts
MM Time Period	70% of Core Hours	Same as 2004	80% of Core Hours
MM Minimum Volume Requirement	4,000 contracts per month (Approx. 200 contracts per day)	10,000 contracts per month <sup>3</sup>	Russell 1000: Every 3-month period the monthly minimum increases as follows: 0, 250, 400, and 550 contracts per month Russell 2000: Every 3-month period the monthly minimum progresses as follows: 1,000, 2,000, 3,000, and 4,000 contracts
MM Stipends	\$15,000 per month (Jul - Dec 2004)	\$5,000 per month (Jan - Mar 2005) \$10,000 per month (Apr - Dec 2005 for top 4 MMs in Short-Term and Long-Term)	\$10,000 per month (Feb. - Jul 2005) (Note that starting in May 2005, only top 6 MMs by volume receive stipends)
Other MM Awards	Participation in Revenue Share	Participation in Revenue Share	Participation in Revenue Share
MM Bonuses	None	None	\$20K per quarter to top MM in Russell 2000; \$10K per quarter to

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<sup>1</sup> Core Trading Hours for Treasury Futures are 7:20 am to 2:00 pm Chicago time and for Russell Products are 8:30 am to 3:00 pm Chicago time. The existing MM program featured a European Hours plan, which is not reviewed here.

<sup>2</sup> Bid/Ask Spreads require quoting on both sides of the market at the maximum tick size between bid and offer prices.

<sup>3</sup> This minimum contract requirement does not apply to MMs that comply with Options MM Program.

Program Terms	2004 (Current Incentive Program)	2005 Treasury Futures Incentives	Russell Products Incentives	Formatted Table
Early Volume Adopter ("EVA") Product Trading Requirement	None	None	top MM in Russell 1000 Russell 1000 and Russell 2000	
EVA Minimum Contracts Requirement	Jul - Sep 2004: 500 per day Oct - Dec 2004: 1000 per day 2005: 1000 per day	Jan. - Aug. 2005: 3000 per day <sup>4</sup>	Russell 1000: 0, 25, 50, and 75 contracts per day (increasing each quarter) Russell 2000: 75, 150, 225, and 300 per day (increasing each quarter) 16 trading days per month	Deleted: 4000
EVA Trading Days Requirement	15 of 20 (21) trading days per month	Same as 2004		
EVA Rewards Revenue Share Pool	Participation in Revenue Share Jul-Sep 2004: 20% of 2005 Revenues <sup>5</sup> Oct.-Dec. 2004: 20% of 2005 Revenues 2005: 25% of 2006 Revenues	Participation in Revenue Share Jan. - Aug. 2005: 25% of 2006 Revenues	Participation in Revenue Share • 2005-2006: 40% of Revenues as measured each quarter	Formatted Table
Guaranteed Minimum/Maximum Pool	Jul - Sep 2004: \$5MM - \$10MM Oct-Dec 2004: \$5MM - \$10MM	Jan. - Aug. 2005: \$5MM minimum <sup>6</sup>	None	Deleted: Jun.
Per Contract Payout Limit	\$5.00	\$5.00	\$5.00	
Miscellaneous Rewards	iPod Giveaway	None	None	

<sup>4</sup> Note that the current Treasury Futures program includes a Revenue Share component based on trading volumes for 2005. The amended program adds a guaranteed minimum pool if a participant trades 4000 contracts per day.

<sup>5</sup> Revenues derived from trading in the underlying futures contracts.

<sup>6</sup> For purposes of calculating payouts for the guaranteed minimum revenue share pool for 2005 activity, the Exchange will apply the following weightings depending on the contract traded: 2Y/3Y = 20%; 5Y = 20%; 10Y = 25%; and 30Y = 30%. These relative weights may be adjusted at the Exchange's discretion based on trading results with sufficient notice to all participants.

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If you have any questions or comments, please do not hesitate to contact me at (312) 544-1076 or [matt.lisle@eurexus.com](mailto:matt.lisle@eurexus.com).

Very truly yours,

Matt Lisle  
Chief of Compliance

CC: Riva Adriance  
David Van Wagner