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June 6, 2006

OFFICE OF THE SECRETARIAT

Ms. Eileen A. Donovan  
Assistant Secretary of the Commission for  
FOI, Privacy and Sunshine Acts Compliance  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

**CONFIDENTIAL TREATMENT  
REQUESTED**

RE: FOIA CONFIDENTIAL TREATMENT REQUEST

Dear Ms. Donovan:

The Board of Trade of the City of Chicago, Inc. ("CBOT®" or "Exchange") hereby petitions the Commodity Futures Trading Commission, pursuant to Regulation 145.9, 17 C.F.R. §145.9, for confidential treatment of a document relating to the CBOT's business. This document is being provided to the Office of the Secretariat of the Commission, in a Rule Certification, Reference File #2660.03, in connection with the establishment of an Electronic Market Maker (EMM) Program for CBOT 5-Year and 10-Year Interest Rate Swap Futures, and is entitled "Appendix 1 - Salient Features of CBOT® Swap Futures Electronic Market Maker (EMM) Program".

Confidential treatment is requested for this document, until further notice, because disclosure would reveal confidential commercial or financial information.

Pursuant to Regulation 145.9 (d)(3), 17 C.F.R. §145.9 (d)(3), the undersigned may be reached at the Chicago Board of Trade, 141 West Jackson Boulevard, Chicago, Illinois 60604 at (312) 435-3605.

Sincerely,

Paul J. Draths  
Vice President and Secretary

cc: Office of the Secretariat

June 6, 2006

Ms. Eileen Donovan  
Acting Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

Reference File #2660.03  
Rule Certification

Dear Ms. Donovan:

Pursuant to Commission Regulation 40.6(a), the Chicago Board of Trade (CBOT<sup>®</sup>) hereby submits the following, a portion of which is subject to the enclosed FOIA Confidential Treatment Request:

- **Establishment of an Electronic Market Maker (EMM) Program for CBOT 5-Year and 10-Year Interest Rate Swap Futures. (A summary of the program's salient features is attached.)**

This submission amends a previous CBOT submission dated May 4, 2006 (CBOT Reference File #2660.02).

This initiative has been established pursuant to CBOT Rule 225.00 "General Enabling Rule for Market Maker Programs", which authorizes the Chief Executive Officer of the Exchange to approve the implementation of such programs. This initiative replaces a previously-established program which has been discontinued.

The CBOT intends to implement this program no sooner than one business day following the Commission's receipt of this filing.

The CBOT certifies that this program complies with the Commodity Exchange Act and the rules thereunder.

Sincerely,

Paul J. Draths  
Vice President and Secretary

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## **Salient Features of CBOT<sup>®</sup> Swap Futures Electronic Market Maker (EMM) Program**

### **EMM Obligations**

Participants in this non-exclusive EMM program will provide two-sided markets in CBOT 5-Year and 10-Year Interest Rate Swap futures ("Swap futures") on the CBOT's electronic platform (e-cbot<sup>®</sup>), on a continuous basis during daytime U.S. market hours for such futures, unless prevented from doing so as a result of extraordinary circumstances beyond the EMM's reasonable control or due to position limits.

EMM participants agree that they will make markets in Swap futures at agreed upon minimum size and maximum bid/offer spread levels.

### **EMM Incentives**

In return for an EMM's fulfillment of its obligations, such EMM will receive the following for the period coinciding with EMM's period of participation in this program:

- 1) **Transaction fees**: All CBOT electronic transaction fees will be rebated for EMM proprietary transactions in CBOT Swap futures.
- 2) **Exchange Fee Credit Pool ("EFCP")**: EFCP is defined as 25% of the total electronic exchange transaction fees collected by the CBOT for 5-Year and 10-Year Interest Rate Swap futures respectively (less EMM fee rebates).
  - a) The minimum volume requirements to be eligible to receive any portion of the EFCP for any given month will be 5 percent of the total sides of the applicable Swap futures traded on the electronic platform for that month.
  - b) If no EMM qualifies for the EFCP, then there will be no payout of the applicable pool for that particular month, and the EFCP will not roll forward to any future month.
  - c) EMM Agreements will specify a minimum monthly compensation ("MMC") amount for EMMs. In the event that an EMM's EFCP participation is less than the MMC amount in any given month, the Exchange will supplement the EMM's EFCP compensation such that the EMM receives the MMC amount for that month. In the event that the EMM's EFCP participation is equal to or greater than the MMC amount, there will be no supplemental compensation.

The foregoing provision for supplemental compensation will terminate on December 31, 2006.

- 3) **Preferencing**: After the allocation of any priority order, an EMM will be entitled to a percentage of each electronic transaction in Swap futures, in a percentage determined by

the Exchange, where it has matched the bid or offer prior to trade completion, during the hours of its EMM assignment.

**Term**

The program will have a term determined by the Exchange and specified in the EMM Agreement, and may be extended if mutually agreed.

**Termination**

EMM Agreements may be terminated for uncorrected material breach, upon a specified notice period under specified circumstances, as defined in the EMM Agreement, or by mutual consent at any time.