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**U.S. COMMODITY FUTURES TRADING COMMISSION**

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OFFICE OF THE SECRETARIAT



August 10, 2000

Mr. Paul J. Draths  
Vice President and Secretary  
Chicago Board of Trade  
141 West Jackson Boulevard  
Chicago, Illinois 60604-2994

Re: Proposed Amendments to Chicago Board of Trade Regulation 1008.01 regarding maximum daily price fluctuation limits for the Exchange's corn, corn yield insurance (six contracts), oats, rough rice, soybeans, soybean meal, soybean oil, wheat, kilo gold, 100 ounce gold, 1000 ounce silver, and 5000 ounce silver futures and option contracts. (Exchange Reference File #2015.01)

Dear Mr. Draths:

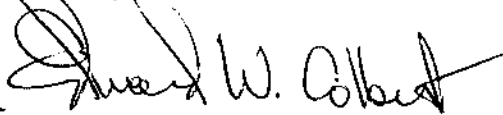
In correspondence dated May 25, 2000, the Chicago Board of Trade (Exchange or CBOT) submitted the subject proposed amendments. The proposed amendments were submitted for Commission approval pursuant to Section 5a(a)(12)(A) of the Commodity Exchange Act and Commission Regulation 1.41(b).

The proposed amendments will increase the maximum daily price fluctuation limits for the Exchange's corn, corn yield insurance (six contracts), oats, rough rice, soybeans, soybean meal, soybean oil, wheat, kilo gold, 100 ounce gold, 1000 ounce silver, and 5000 ounce silver futures contracts. The proposed amendments also will increase the maximum daily premium fluctuation limits for the option contracts based on the subject futures contracts. In addition, the proposed amendments will delete existing provisions that provide for expanded daily price limits under specified conditions. The CBOT also represented in its submissions of May 25 and July 26, 2000, that, for the Eurex electronic trading session only, special trading halt procedures will apply when prices for a contract month reach the maximum daily price fluctuation limits. Specifically, whenever transactions in any contract month cannot be executed at prices that fall within the maximum daily price fluctuation limits, trading in all contract months will cease for the remainder of the electronic trading session.

The Exchange intends to make the proposed amendments effective following approval by the Commission concurrently with implementation of the CBOT-Eurex Alliance trading platform by the Exchange for application to all then currently listed contract months and subsequent newly listed contract months.

Section 5a(a)(12) of the Act specifies that the Commission must approve rules proposed by an exchange if such rules are determined by the Commission not to be in violation of the Act or the regulations of the Commission. Accordingly, acting pursuant to Section 5a(a)(12) of the Act, the Commission hereby approves the proposed regulations and implementation plan. In approving the subject amendments, the Commission understands that the trading halt procedures which entail manually stopping trading in all futures or option contract months when transactions cannot be executed within the prescribed maximum daily price limits in any single contract month will apply only during the Eurex electronic trading session and that the existing trading halt procedures will continue to apply to open outcry trading. Thus, any other proposed use of these procedures, such as during the open outcry day trading session, would raise issues regarding the potential for unduly stopping trading in a futures market which would require additional consideration by the Commission. In this regard, the Commission notes that, in approving the CBOT's rules, it is not taking a position on the compliance of the rules with the Act and Commission regulations were the Eurex trading system to be implemented on a side-by-side basis with open outcry trading or at any time other than during the overnight trading hours.

Sincerely,

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

Edward W. Colbert  
Deputy Secretary of the Commission