



DIVISION OF
ECONOMIC ANALYSIS

U.S. COMMODITY FUTURES TRADING COMMISSION

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OFFICE OF THE SECRETARIAT

March 27, 2000

Ms. Jill S. Fassler
Vice President and General Counsel
New York Cotton Exchange
Four World Trade Center
New York, New York 10048

**Received CFTC
Records Section**

Re: Notice that the Cantor Financial Futures Exchange has been deemed designated as a contract market in the U.S. Agency Ten-Year Note and U.S. Agency Five-Year Note Futures Contracts.

Dear Mr. Fassler:

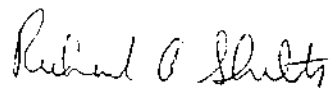
By correspondence dated February 7, 2000, the Cantor Financial Futures Exchange (CFFE) applied pursuant to Sections 4c and 6 of the Commodity Exchange Act (Act), 7 U.S.C. §§ 6c and 8, and Commission Regulation 5.1, for designation as a contract market in the subject futures contracts.

The Division has reviewed the materials submitted by the CFFE and has determined that the designation applications appear to meet the Fast Track review requirements of Commission Regulations 5.1(b) and 1.41(b). Accordingly, please be advised that, as of the close of business on March 24, 2000, the CFFE was deemed to have been designated as a contract market in the U.S. Agency Ten-Year Note and U.S. Agency Five-Year Note futures contracts pursuant to Sections 4c and 5 of the Act, 7 U.S.C. §§ 6c and 7. On the same date, proposed rules X20 through X47 were deemed approved pursuant to Section 5a(a)(12) of the Act, 7 U.S.C. § 7a(a)(12) and Regulation 1.41(b).

Additionally, the Division is notifying the CFFE of the establishment, for the subject contracts, of standards under the expedited procedures of Commission Regulation 1.41(n) regarding initial specification of the coupon rate for each of the proposed contracts and any subsequent specification of a different coupon rate for newly listed months. Such changes shall be deemed approved one business day after receipt by the Commission if the coupon rate meets the following requirements: (a) the rate cannot be set at less than 0% and (b) the rate cannot be set at greater than (i) double the current rate of the relevant coupon (the latest Fannie Mae or Freddie Mac issue) or (ii) 8%, whichever rate is greater. The Commission shall, within ten days after receipt by the Commission of a CFFE notice of such change submitted pursuant to Rule 1.41(n), notify the CFFE if it appears that the change is not consistent with the standards established by the Commission. Upon such notification to the CFFE, the change would

be subject to the usual procedures under Section 5a(a)(12) of the Act and Commission Regulation 1.41(b).

Sincerely,

A handwritten signature in cursive script that reads "Richard A. Shilts".

Richard A. Shilts
Acting Director