



May 19, 2005

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C.F.T.C.

Via Electronic Mail

Ms. Jean A. Webb
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: CBOE Futures Exchange, LLC Rule Certification
Submission Number CFE-2005-15

Dear Ms. Webb:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended ("Act"), and §40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission ("Commission") under the Act, CBOE Futures Exchange, LLC ("CFE" or "Exchange") hereby submits a new rule that sets forth a new market maker program related to CFE's Mini-Russell 2000 Index futures contract and Russell 1000 Index futures contract ("New Russell Index Futures Market Maker Program"). The New Russell Index Futures Market Maker Program will commence on July 1, 2005 and terminate on December 31, 2005, although CFE may extend the program for an additional period of time or replace the program with a different program. CFE's current Russell Index Futures Market Maker Program ("Original Russell Index Futures Market Maker Program"), as set forth in CFE Policy and Procedure V, shall terminate upon the close of business on June 30, 2005.

Also attached for your reference is a copy of the New Russell Index Futures Market Maker Program that is marked to show changes from the Original Russell Index Futures Market Maker Program. The terms that are stricken in the marked copy are deleted or replaced by the terms that are underlined, as applicable. In this regard, CFE's Fee Schedule currently reflects (i) a transaction fee of \$02.5 per contract for CFE Russell Index futures products that is generally applicable to all proprietary and market maker permit holders and (ii) a waiver of all Exchange market data fees if the market data is received directly from the Exchange that is generally applicable to CFE Trading Privilege Holders and Authorized Traders. Because these fee provisions have greater applicability than solely to market makers under the New Russell Index Futures Market Maker Program, they are no longer reflected in the program description and will remain reflected in CFE's Fee Schedule.

CFE is not aware of any substantive opposing views to the New Russell Index Futures Market Maker Program. CFE hereby certifies that the New Russell Index Futures Market Maker Program complies with the Act and the regulations thereunder.

* * * * *

The New Russell Index Futures Market Maker Program will replace the Original Russell Index Futures Market Maker Program on July 1, 2005 and will be set forth in CFE Policy and Procedure V on that date in place of the Original Russell Index Futures Market Maker Program currently set forth in CFE Policy and Procedure V. The text of the New Russell Index Futures Market Maker Program is set forth below:

V. Russell Index Futures Market Maker Program

Trading Privilege Holders (TPHs) may apply to the Exchange for appointment as a market maker in the Mini-Russell 2000 Index futures contract and Russell 1000 Index futures contract (the "Russell Index Products"). Any TPH that desires to apply for market maker status should submit an application in the form of a letter outlining the organization's qualifications and commitments.

The Exchange will approve up to five TPHs as market makers in the Russell Index Products under this Program. TPHs shall be selected by the Exchange based on the Exchange's judgment as to which applicants are most qualified to perform the functions of a market maker. Factors to be considered in making this selection may include, but are not limited to, satisfaction of the qualifications listed below as well as any one or more of the factors listed in Rule 515(b), as applied to market maker applicants instead of with respect to DPM applicants.

The following describes the qualifications, obligations, incentive, and appointment term under the Russell Index Futures Market Maker Program. The obligations and incentive listed below are with respect to each of the Russell Index Products for which a TPH is appointed as a market maker under this Program unless otherwise specified.

Qualifications

- Experience in trading options and/or futures on broad-based indices.
- Ability to automatically and systemically provide quotations.

Obligations

- For no less than 65% of the available trading hours in each calendar month, provide continuous bids and offers in two contract months.
- Provide an average bid/ask spread of no more than \$0.40 (over a calendar month).
- Provide an average quoted size of no less than 20 contracts (over a calendar month), with at least 2 contracts on the lesser-quoted size.

These obligations are subject to relief in the event of a fast market on the Exchange in the applicable futures contract, a fast market in a related futures product, or other unusual market conditions (to be determined solely by the Exchange). Under fast market or unusual conditions, a market maker is expected to quote competitively using its best efforts.

The Exchange may terminate, place conditions upon, or otherwise limit a TPH's appointment as a market maker under this Program if the TPH fails to perform its obligations under the Program. However, failure of a TPH to comply with its obligations under this Program shall not be deemed a violation of Exchange rules.

Incentive

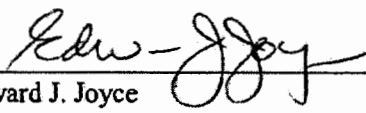
- Payment of \$0.50 per executed contract, with a monthly cap of \$10,000 per TPH.

Term

- Each market maker appointment under the Russell Index Futures Market Maker Program will expire on December 31, 2005. The Exchange may determine to extend the term of an appointment, allow an appointment to expire, or replace this Program with a different market-maker program.

Questions regarding this submission may be directed to David Doherty at (312) 786-7466. Please reference our submission number CFE-2005-15 in any related correspondence.

CBOE Futures Exchange, LLC

By: 
Edward J. Joyce
President

cc: Riva Adriance
Mark Baumgardner (OCC)

New Russell Index Futures Market Maker Program Marked Against Original Russell Index Futures Market Maker Program

V. **Russell Index Futures Market Maker Program**

Trading Privilege Holders (TPHs) may apply to the Exchange for appointment as a market maker in the Mini-Russell 2000 Index futures contract and/or the Russell 1000 Index futures contract (the "Russell Index Products"). Any TPH that desires to apply for market maker status should submit an application in the form of a letter outlining the organization's qualifications and commitments.

The Exchange ~~may from time to time~~will approve such number of up to five TPHs as market makers in the Russell Index Products under this Program as the Exchange may deem necessary or appropriate. Market makers, TPHs shall be selected by the Exchange based on the Exchange's judgment as to which applicants are most qualified to perform the functions of a market maker. Factors to be considered in making this selection may include, but are not limited to, satisfaction of the qualifications listed below as well as any one or more of the factors listed in Rule 515(b), as applied to market maker applicants instead of with respect to DPM applicants.

The following describes the qualifications, obligations, ~~benefits~~incentive, and appointment term under the Russell Index Futures Market Maker Program. The obligations and ~~benefits~~incentive listed below are with respect to each of the Russell Index Products ~~the contract(s)~~ for which a TPH is appointed as a market maker under this Program unless otherwise specified.

Qualifications

- Experience in trading options and/or futures on broad-based indices.
- Ability to automatically and systemically provide quotations.

Obligations

- For no less than ~~75~~65% of the available trading hours in each calendar month, provide continuous bids and offers in the two serial and two near term quarterly contract months.
- ~~Provide responses within 10 seconds to RFQs in all other~~two contract months.
- Provide an average bid/ask spread of no more than \$0.40 (over a calendar month).
- Provide an average quoted size of no less than ~~10~~20 contracts (over a calendar month), with at least 2 contracts on the lesser-quoted size.

These obligations are subject to relief in the event of a fast market on the Exchange in the applicable futures contract, a fast market in a related futures product, or other unusual market conditions (to be determined solely by the Exchange). Under fast market or unusual conditions, a market maker is expected to quote competitively using its best efforts.

The Exchange may terminate, place conditions upon, or otherwise limit a TPH's appointment as a market maker under this Program if the TPH fails to perform its obligations under the Program. However, failure of a TPH to comply with its obligations under this Program shall not be deemed a violation of Exchange rules.

Benefits

- ~~A waiver of all Exchange market data fees, if the Exchange market data fees are received directly from the Exchange.~~
- ~~Transaction fees of 2.5 cents per contract.~~
- ~~Transaction fees capped at \$250 per calendar month, per product.~~

Incentive

- ~~Rebate of all transaction fees if the market maker's aggregated volume in all Russell index futures products exceeds 20,000 contracts in a calendar month. Payment of \$0.50 per executed contract, with a monthly cap of \$10,000 per TPH.~~

Term

Each market maker appointment under the Russell Index Futures Market Maker Program will expire one year from the date trading commences in these contracts. on December 31, 2005. The Exchange may determine to extend the term of an appointment, allow an appointment to expire, or replace this Program with a different market-maker program.