



November 7, 2011

Mr. Richard Shilts
Division of Market Oversight
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

RE: Notification of Delay in Implementing Changes in Exercise Prices for Standard Options on Short-Term and Medium-Term U.S. Treasury Note Futures

Dear Mr. Shilts:

In previous correspondence dated October 4, 2011, the Chicago Board of Trade, Inc. ("CBOT" or "Exchange") informed staff in the Division of Market Oversight that it intended to implement the following changes to standard options on Short-Term U.S. Treasury Note Futures ("2-Year Note") and Medium-Term U.S. Treasury Note Futures ("5-Year Note"), respectively, on trade date Monday, November 7, 2011, starting with the options on December 2011 futures and thereafter:

- **2-Year Note options:** Reduce strike price increments from 1/4 to 1/8 of one price point.
- **5-Year Note options:** Reduce strike price increments from 1/2 to 1/4 of one price point.
- **2-Year Note and 5-Year Note options:** Redefine initial strike price arrays to comprise the at-the-money ("ATM") strike plus 30 strikes above the ATM and 30 strikes below the ATM (versus the current ATM plus 15 strikes above and 15 strikes below).

Due to technical difficulties at this time, however, the CBOT was not able to implement the scheduled changes in 2-Year Note option strike prices on the original November 7 effective date as intended. When the Exchange resolves these technical issues, the Exchange will notify the Division in writing of the new effective date for making changes in 2-Year Note options.

Because of the delay in 2-Year Note options, the CBOT has decided to hold off on making the originally planned changes in the strike price increment and initial strike price array of 5-Year Note options at this time as well. Although the Exchange did not encounter technical difficulties with 5-Year Note option strike prices, the Exchange was concerned that market participants would be confused if it only implemented changes in 5-Year Note options on the original effective date. The Exchange intends to implement changes in 5-Year Note option strike prices when it effects similar changes in 2-Year Note option strike prices.

If you have questions or require additional information regarding this matter, please contact me (daniel.grombacher@cmegroup.com, 312.634.1583) or Tim Elliott (tim.elliott@cmegroup.com, 312.466.7478).

Sincerely,

/s/ Daniel W. Grombacher
Director, Research & Product Development

cc: Thomas Leahy, Jr, Chief, Product Review Branch, Division of Market Oversight
Phil Colling, Product Review Branch, Division of Market Oversight