

Date: January 8, 2003  
 To: The Membership  
 From: Office of the Chairman  
 Subject: **Telecommunication Fees**

**2002 Telecommunication Fee Increases Refunds**

Subject to SEC approval, on December 3, 2002 the Board of Directors approved a recommendation by the Financial Planning Committee to refund the increases in certain telecommunication fees that were initiated in January 2002 to fund the acquisition of a new telephone system for the trading floor.

The Facilities Committee has since recommended that CBOE not pursue the replacement of our trading floor telephone system at this time. Certain fees were increase by 50% in January 2002 and on May 1, 2002 the rate increases were lowered to reflect a 20% increase over the 2001 levels, since it appeared at that time the purchase of a new system was uncertain.

If the SEC approves the rule filing, it is anticipated that refunds via credits for the full amount of the 2002 increases will be passed-through to clearing firms in February 2003.

**January 2003 Telecommunication Fee Changes**

Effective January 1, 2003, certain telecommunication fees will increase by 10% from 2001 levels. These fees have not increased in approximately ten years after factoring the refund/rollback of 2002 rate increases described above. Revised monthly rates are as follows:

<u>Description</u>	<b>2001 Monthly Rate</b>	<b>Dec. '02 Monthly Rate</b>	<b>Effective Jan. '03 Monthly Rate</b>
Exchangefone maintenance	\$47.25	\$56.75	\$52.00
Voice circuit maintenance	13.12	15.75	14.40
Data circuit maint. @ SBC frame	13.12	15.75	14.40
Data circuit maint. @ SBC frame to comm. center	10.50	12.50	11.60
Data circuit maint. @ SBC frame to floor	10.50	12.50	11.60
Data circuit maint. @ comm. center to floor	10.50	12.50	11.60
Wireless phone rentals	100.00	120.00	110.00

Please call Ermer Love (312-786-7032) or Don Patton (312-786-7026) if you have any questions.

-----  
 It's easy to stay informed about issues at CBOE! CBOE Members can now receive informational and news notices via e-mail or fax. To sign up, simply e-mail your name, e-mail address or fax number to [members@cboe.com](mailto:members@cboe.com) or contact Doug Luzzi (312-786-7105).