

LNet (Local Network) Connectivity

Frequently Asked Questions

August 14, 2007

What is LNet?

LNet is a customer-managed solution offering 40mbps redundant connections to CME Globex® via a CME Group-specified colocation facility. Clients are required to house a certified trading application in one of the two specified colocation facilities. LNet may not be utilized as a network-only connectivity option.

What are the benefits of LNet?

LNet reduces network latency because these colocation facilities are directly connected to the CME Globex fiber optic transport, i.e. our CME Globex network. There is no third-party carrier between CME Group and the customer; it is a direct connection. For European and Asian customers, LNet provides a lower latency connectivity solution, which helps address the speed-of-light issue.

Why is LNet being created?

CME Group is responding to customer requests for this type of connectivity solution. The precedent has been set within the industry for this type of solution.

How do I order a LNet connection?

CME Group is now accepting LNet connection orders from qualified customers. CME Group can only accept applications from customers who meet the following requirements:

- Be present at the CME Group-approved collocated facility where the connection will be established.
- Maintain an authorized redundant, separate site.

Customers may request a LNet connection via an executed [Schedule 2, Access Request Form](#).

What are the customer requirements for LNet?

All LNet customers must maintain a separate, redundant site connected to CME Globex at a separate location. The customer must maintain a CME Group-certified front-end application as well as trading infrastructure at the colocation facility providing connectivity. Minimum equipment information is detailed in the [CME LNet Connectivity Guide](#).

What are the charges associated with LNet?

CME Group charges \$6,000.00 per LNet redundant connection per month. Customer is responsible for colocation facilities charges.

Why am I required to keep a redundant site?

The redundant site requirement is the best way to protect both CME Group and customers from a potential single-site failure.

What environments are available via LNet?

LNet is currently only available for connecting to the CME Globex production environment.

Why is LNet not a network-only connectivity solution?

The purpose of LNet is to offer improved performance by reducing network latency. A network-only connection is unable to leverage this improved performance.

What is the process to obtain LNet connectivity?

Customers must contact one of the facilities directly to lease space and establish a trading presence. Existing customers must submit the CME Customer Connection Agreement Schedules 2 and 6. New customers must submit Schedules 1, 2, 4, 6, and 7 of the CME Customer Connection Agreement. CME provides connectivity from the customer's colocation space to the CME Globex production environment.

Does LNet provide an unfair advantage for Automated Trading Systems (ATS)?

No, because LNet is not limited to ATS. LNet requires that a *trading application* must be present within the colocation site. *Trading application* includes but is not limited to ATS.

Who are the two authorized colocation facilities and how do I contact them?

- DRT
 - www.digitalrealtytrust.com
 - John Kay at 312-604-1909
jkay@digitalrealtytrust.com

- Equinix
 - www.equinix.com
 - John Churchill, Regional Sales Manager at 312-279-1186 or
jchurchill@equinix.com

Where can I find more information on LNet?

A complete description of LNet is available in the [CME LNet Connectivity Guide](#).

For additional LNet information, contact your [CME Globex Account Manager](#) at:

United States

312.648.3736

Europe

+44.20.7796.7100

Asia

+852.3101.7696