

The Depository Trust Company

IMPORTANT

B#: 8684

DATE: October 19, 2005

TO: Participants and Other Users

CATEGORY: Executive Notices

FROM: Product Management

ATTENTION: Managing Partner/Officer, Operations Manager

SUBJECT: 2006 Fee Guidance

On August 1 The Depository Trust Company issued Important Notice B# 8353 providing certain preliminary guidance regarding anticipated revisions in the fee schedule for 2006. DTC has historically provided these guidance notices to help participants in their own budgeting processes for the following year.

DTC's own budgeting process is continuing, with an expected completion date of mid-November. DTC would expect to issue a Notice describing final fee changes for 2006 later that month, with the filing of these fee changes with the SEC occurring in December. (DTCC's other subsidiaries will be following the same schedule.)

During this process, DTC has made a decision to discontinue certain current fees and adopt offsetting changes to other fees to further simplify the DTC bill. Since participants' internal cost accounting systems may differ in their treatment of these fees, however, DTC is distributing this Notice as further guidance to participants in the preparation of their 2006 budgets.

The specific fees DTC expects to discontinue include:

- SMART messages via MQ or MDH (not including unsolicited messages, printer tickets, or ticket reprints) – \$0.10 per message (Fee ID 344 on *User's Guide to the DTC Fee Schedule*)

- SMART/Mover (formerly CCF) Output Transmission – Prices vary (Fee ID's 543 thru 556 on *User's Guide to DTC Fee Schedule*)

Modifications to other fees may be made to partially offset the elimination of these fees so that DTC's fee schedule continues to provide for the necessary cost recovery for these services. Any such changes would be made to existing activity fees (or new activity fees), so that these costs would be covered through fees applying to the particular business service involved. For example, dividend allocation fees may be modified to provide for recovery of costs associated with the distribution of Cash Settlement Statement files.

More details regarding these fee changes and other revisions to DTC's fee schedule will be provided in the final fee revisions Notice to be issued late in November.

Questions regarding this Notice may be directed to your Relationship Manager.

J. Randall Grespin
Managing Director