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Craig S. Donohue
Chief Executive Officer

cme
Chicago Mercantile Exchange

20 South Wacker Drive
Chicago, IL 60606-7499
www.cme.com

312/930.8275 tel
312/930.3209 fax

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February 13, 2006

COMMENT

VIA ELECTRONIC DELIVERY

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

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CFTC

Re: Market and Large Trader Reporting

Dear Ms. Webb:

The Chicago Mercantile Exchange Inc. ("CME") welcomes the opportunity to comment upon the Commodity Futures Trading Commission's ("CFTC" or "Commission") proposed amendments to the Commission's market and large trader reporting rules. CME invented financial futures contracts more than 30 years ago and is currently the largest and most diverse financial exchange in the United States and the largest derivatives clearing organization in the world.

In the release, the Commission proposes to establish a new large trader reporting level for futures based on 3-year U.S. Treasury Notes, clarify the application of the reporting rules to registered derivatives transactions execution facilities (DTEFs), require designated contract markets (DCMs) to disseminate publicly integrated volume data that separately identifies the volume generated from block trades, and adopt a reporting framework for contracts that are self-cleared (i.e., where no intermediary is involved).

As discussed more fully below, CME generally supports the Commission proposed rules.

With respect to the proposed clarification of the application of the reporting rules to DTEFs, CME concurs with the Commission's proposal to define DTEFs directly into Commission Rules 15.00 to 15.04, which sets forth certain definitions and reporting levels, and Parts 16 through 21, which relate to reports of DCMs, FCMs, traders and persons with hedged positions. According to the Commission, the proposed amendments will not alter the existing reporting obligations of DTEFs, but merely clarify that DTEFs are subject to these reporting obligations.

CME supports the Commission's proposed amendments. We believe that the amendments are consistent with Congressional intent, as embodied in the Commodity Futures

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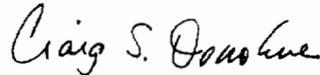
Modernization Act, and will avert any ambiguity regarding the application of the reporting rules to DTEFs. The resultant lack of ambiguity will, in turn, discourage any attempt to take advantage of regulatory disparities.

CME also supports the Commission's proposed requirement that DCMs publicly disseminate integrated volume data that separately identifies the volume generated from block trades. As the Commission notes in the release, CME currently disseminates (through its website) integrated volume reports that separately account for the volume generated from block trades. We believe that the public dissemination of such information, in an integrated and segregated fashion, allows market participants timely to examine the determinants of market prices, the depth of market liquidity and the value of futures contracts as risk management and pricing tools.

Finally, the Commission proposes to codify an order issued to HedgeStreet that would place an "exchange listing exclusively self-cleared contracts in the regulatory position of its clearing members" with respect to large trader reporting obligations. Under such circumstances, the exchange, rather than the non-intermediated customers, would be required to comply with Part 17 of the Commission's regulations in order not to impose technical compliance requirements upon such customers, most of whom would likely be retail-oriented customers. Because such information is important to market integrity, both in terms of the local market and industry-wide credibility, CME believes that the Commission's proposal with respect to "self-cleared" trades is both appropriate and balanced.

Thank you for the opportunity to comment upon the Commission's proposal amendments. If you have any questions or comments, please do not hesitate to contact me or Matthew F. Kluchenek, Director and Associate General Counsel, at (312) 338-2861.

Respectfully submitted,



Craig S. Donohue