

December 18, 2003

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

Reference File # 2396.01
Rule Certification

Dear Ms. Webb:

Pursuant to Commission Regulation 40.6, the Chicago Board of Trade (CBOT[®]) hereby submits the following:

- **Amendments to Regulation 1007.02 per the attached text (additions are bolded; deletions are struck through).**

The referenced amendments will uniformly establish the price range available for trading within the Modified Closing Call ("MCC") as the entire closing range, and will allow new customer orders to be entered into the MCC for those products that trade simultaneously on the screen and in the pit during the MCC.

Trading during the MCC is presently limited to the lesser of the actual closing range or a pre-defined number of tics above and below the proposed settlement price. This range is, at times, too restrictive to accommodate trade during the MCC, particularly during volatile markets when the utility of the MCC is most important.

Additionally, for contracts that have an MCC and are traded simultaneously on the screen (i.e., financial futures), the prohibition on the entry of new customer orders for execution during the MCC is unnecessarily restrictive given that new customer orders can be entered in the electronic market following the open outcry close (the exception is expiration day when both contracts close simultaneously).

The CBOT intends to implement these amendments no sooner than one day after the Commission's receipt of this filing.

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There were no opposing views among the CBOT's Board of Directors concerning these amendments.

The CBOT certifies that these amendments comply with the Commodity Exchange Act and the rules thereunder.

Sincerely,

Paul J. Draths
Vice President and Secretary

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Additions are **bolded**; deletions are ~~struck through~~

1007.02 Modified Closing Call - Immediately following the prescribed closing procedure for all **futures contracts traded by open outcry**, there shall be a two (2) minute trading period (the "modified closing call"). (i) All trades which may occur during regularly prescribed trading hours may occur during the call at prices within the ~~lesser of the actual closing range or a range of three (3) official trading increments, i.e., one (1) increment above and below the settlement price; at prices within the lesser of the actual closing range or a range of five (5) official trading increments, i.e., two (2) increments above and below the settlement price, or at prices within the lesser of the actual closing range or a range of nine (9) official trading increments, i.e., four (4) increments above and below the settlement price as the Regulatory Compliance Committee shall prescribe;~~ (ii) no new customer orders may be entered into the call, **unless such orders are for contracts that are also traded electronically during the call;** (iii) cancellations may be entered into the call; (iv) stop, limit and other resting orders elected by prices during the close may be executed during the call; (v) ~~individual members may trade as a principal and/or agent during the call;~~ (vi) individual members may **execute or enter orders for their own accounts in the call enter orders for their own accounts into the call;** and (vii) (vi) member firms, and those entities which are wholly-owned by member firms, or that wholly-own member firms, **or that are wholly-owned by the same parent company(ies) as member firms,** trading for such firms' or entities' own proprietary accounts may initiate trades or enter orders into the call.

The ~~proposed~~ **recommended** settlement price shall be the midpoint of the closing range unless extenuating circumstances exist under which the pit committee can justify setting the **recommended** ~~proposed~~ settlement price at a price different from the midpoint. If the ~~proposed~~ **recommended** settlement price differs from the midpoint of the closing range, then the pit committees are required to document the basis for the deviation. Such documentation must be signed by two members of the pit committee.

In accordance with the determination of the Regulatory Compliance Committee, CBOT contracts shall be traded during the Modified Closing Call as follows:

Lesser of actual closing range or three trading increments

U.S. Treasury Bond Futures and Options
Five Year Note Futures and Options
Two Year Note Futures
Municipal Note Index Futures
Thirty Day Fed Fund Futures

Lesser of actual closing range or nine trading increments

Corn Futures and Options
Wheat Futures and Options
Soybean Futures and Options
Soybean Oil Futures and Options
Soybean Meal Futures and Options
Oat Futures and Options
Rough Rice Futures and Options
CBOT Dow Jones Industrial AverageSM Index Futures and Options

Lesser of actual closing range or five trading increments

Ten Year Note Futures and Options
Long Term Agency Note Futures and Options
Medium Term Agency Note Futures and Options
10 Year Interest Rate Swap Futures and Options
5 Year Interest Rate Swap Futures and Options