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December 6, 2004

Ms. Jean A. Webb  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington DC 20581

RE: Section 5c(c)1 and Regulation 40.4(b)(8) Submission. Non-Material Agricultural Rule Change. Exchange Certification of Change in Standard Freight Rate for Live Cattle Futures Deliveries. CME Submission #04-119.

Dear Ms. Webb:

The Standard Freight Rate is used in carcass graded deliveries of Live Cattle to compensate sellers when the buyer requests delivery at a packing plant that is farther from the feedyard than the delivery point stockyards. In accordance with Live Cattle Rule 10103.C.8., this rate is set annually by the Exchange. For 2004, the rate was \$2.50 per mile per contract, unchanged from the rate in 2003.

Results from a survey of livestock trucking firms show that freight rates have increased substantially during the past year, largely due to higher fuel costs. At its Regular Meeting on Thursday, December 2, 2004, the Board of Directors of Chicago Mercantile Exchange Inc. ("CME" or "Exchange") approved an increase in the Standard Freight Rate to \$2.75, beginning with the January 2005 contract month.

The Exchange certifies that this action neither violates nor is inconsistent with any portion of the Commodity Exchange Act or of the rules thereunder.

If you have any questions regarding this submission, please contact Mr. Paul Peterson at (312) 930-4587 or via e-mail at [ppeterso@cme.com](mailto:ppeterso@cme.com) . Please refer to CME Submission #04-119 in all correspondence regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Labuszewski". The signature is fluid and cursive, with a large initial "J" and "L".

John W. Labuszewski, Director  
Research & Product Development