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OFFICE OF THE
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January 7, 2011

Mr. David Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington DC 20581

RE: Regulation Section 40.5. Request for Commission Rule Approval of Amendments to CME Rules 10102.E. and 101A01.F, and to Interpretations & Special Notices Relating to Chapter 5. CME Submission No. 11-015.

Dear Mr. Stawick,

I. SUBMISSION

In accordance with Regulation Section 40.4., Chicago Mercantile Exchange Inc. ("CME") hereby requests review and approval, under the provisions of Regulation Section 40.5., of amendments to CME Live Cattle Futures Rule 10102.E. and Options on CME Live Cattle Futures Rule 101A01.F., and to Interpretations & Special Notices Relating to Chapter 5.

II. TEXT OF PROPOSED RULE CHANGES

The text of the proposed rule amendments is given below, with additions underlined and deletions bracketed and overstruck:

LIVE CATTLE FUTURES

10102. FUTURES CALL

10102.E. Position Limits

No person shall own or control more than:

- a. [~~5,400~~] 6,300 contracts long or short in any contract month;
- b. 450 contracts long or short in the expiring contract month as of the close of business on the first business day following the first Friday of the contract month;
- c. 300 contracts long or short in the expiring contract month as of the close of business on the business day immediately preceding the last five business days of the contract month.

For positions involving options on Live Cattle futures, this rule is superseded by the option speculative position limit rule.

OPTIONS ON LIVE CATTLE FUTURES

101A01. OPTION CHARACTERISTICS

101A01.F. Position Limits

No person shall own or control a combination of options and underlying futures that exceeds ~~[5,400]~~ 6,300 futures equivalent contracts net on the same side of the market in any contract month.

For the purpose of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series. Also for purposes of this rule, a long call option, a short put option, and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option, and a short underlying futures contract are on the same side of the market.

INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 5

POSITION LIMIT, POSITION ACCOUNTABILITY AND REPORTABLE LEVEL TABLE

CONTRACT NAME	OPTIONS	FIRST SCALE-DOWN SPOT MONTH	SECOND SCALE-DOWN SPOT MONTH	SPOT MONTH	SINGLE MONTH	ALL MONTHS COMBINED	POSITION ACCOUNT-ABILITY	REPORT ABLE FUT LEVEL	REPORT ABLE OPT LEVEL
CME Interest Rate									
13 Week Treasury Bill	Y			15%		5,000 (A)		100	100
3 Month Eurodollar	Y						10,000 (B)	850	850
3 Month OIS	Y						10,000 (D)	25	50
3 Month Eurodollar - E-Mini							100,000 (C)	25	
Euroyen	Y					*5,000		25	25
MidCurve Eurodollar	Y						10,000 (B)		25
One Month Eurodollar	Y						5,000	100	100

*Net futures equivalents (NFE) long or short.

(A) No more than the specified number of contracts net long or net short in all contract months combined, except that in no event shall own or control more than the numbers of contracts that correspond to fifteen percent of the announced auction amount of the 91-day U.S. Treasury Bill auction to which the contract settles in the lead month on or after the day two days prior to the delivery day.

(B) Net Futures Equivalent Positions are combined across Eurodollar, Eurodollar E-mini, and Mid-Curve futures and options to determine Position Accountability.

(C) 100,000 net long or short but 10,000 net futures equivalents and is combined with ED, E-mini ED, and Midcurves.

(D) Net Futures Equivalent Positions are combined across OIS futures and options to determine Position Accountability.

CME Commodities									
Butter	Y	50		150	*900	*1,000		25	25
Cash-Settled Butter	Y			100	*500			25	25
Class III Milk	Y				*1,500			25	25
Class IV Milk	Y			250	*1,000			25	25
Deliverable Nonfat Dry Milk	Y			500	*1,000			25	25
Dry Whey	Y			200	*1,000			25	25
Feeder Cattle	Y			300	*1,600			25	25
Frozen Pork Bellies	Y	75 or 50 or 25 (A)	25 or 10 (B)	100	*800	*1,000		5	5
S&P GSCI	Y					*10,000		25	25
S&P GSCI ER Index						*10,000		25	
S&P GSCI ER Index Forwards							10,000	1	
S&P GSCI ER Index swaps							10,000	1	
S&P GSCI ER Index 2 Month Forward Swaps							10,000	1	
S&P GSCI ER Index 3 Month Forward Swaps							10,000	1	
S&P GSCI Gold Excess Return Swaps							10,000	1	
S&P GSCI Crude Oil Excess Return Swaps							10,000	1	
Lean Hogs	Y			950	*4,100			25	25
Live Cattle	Y	300		450	*[5,400] 6,300			25	25
Random Length Lumber	Y			435	*1,000			25	25
Nonfat Dry Milk	Y			100	*1,000			25	25
Northern Bleached Softwood KP	Y				*1,000			25	25
Bleached Hardwood Kraft Pulp	Y				*1,000			25	25
Cheese	Y			*500	*1,000			25	25
International Skimmed Milk Powder	Y			*500	*1,000			25	25
U.S. Dollar Cash Settled Crude Palm Oil				500	1,000			25	

*Net futures equivalents (NFE) long or short.

(A) The scale-Down levels in the spot month depends on "Deliverable Supply" shall mean the number of registered deliverable pork bellies reported to the CME Clearing House Department's weekly report immediately *preceding* the first Friday of each expiring contract.

(B) The scale-Down levels in the spot month depends on "Deliverable Supply" shall mean the number of registered deliverable pork bellies reported to the CME Clearing House Department's weekly report immediately *following* the first Friday of each expiring contract.

III. EFFECTIVE DATE AND RULE PROMULGATING AUTHORITY

CME, pursuant to Rule 230.j., approved these proposed amendments on January 5, 2011. The amendments will become effective for all contract months after Commission approval.

IV. OPERATION, PURPOSE AND EFFECT OF THE PROPOSED AMENDMENTS

The amendments increase the speculative position limits of Live Cattle futures and options for non-spot contract months.

The increase for non-spot contract months is based on the increased levels of open interest in the last year for the nearby futures and options contract months. The level of 6,300 contracts was arrived at using a formula established by Regulation Section 150.5(c)(2). The data used in the calculation has been sent electronically to the Commission's staff for review.

V. OPPOSING VIEWS

There were no substantive opposing views to the proposed amendments.

VI. APPLICATION OF THE ACT AND REGULATIONS

There does not appear to be any need for amendment or interpretation of the Act and Regulations in order to approve the proposed amendments.

VII. CONFIDENTIAL TREATMENT

Confidential treatment is not requested for this submission.

CME certifies that this action complies with the Commodity Exchange Act and regulations thereunder. There were no substantive opposing views to this proposal.

If you have any questions regarding this submission, please contact Paul Peterson at (312) 930-4587 or via e-mail at paul.peterson@cmegroup.com or me at (212) 299-2200. Please refer to CME Submission No. 11-015 in all correspondence regarding this matter.

Sincerely,

/s/ Christopher K. Bowen
Managing Director, Chief Regulatory Counsel