

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 14-375

Organization: Chicago Mercantile Exchange Inc. ("CME")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): September 2, 2014 Filing Description: Adoption of New Rule 771 ("Alternative Delivery Process")

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | | |
|-------------------------------------|-------------------------------------|------------|
| <input checked="" type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Notification | § 40.6(d) |
| <input type="checkbox"/> | Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/> | SIDCO Emergency Rule Change | § 40.10(h) |

Rule Numbers: Rule 771 ("Alternative Delivery Process")

New Product

Please note only ONE product per Submission.

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|--------------------------|---------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.2(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.23(a) |
| <input type="checkbox"/> | Certification Swap Class | § 40.2(d) |
| <input type="checkbox"/> | Approval | § 40.3(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.23(b) |
| <input type="checkbox"/> | Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> | Swap Submission | § 39.5 |

Official Product Name:

Product Terms and Conditions (product related Rules and Rule Amendments)

- | | | |
|--------------------------|---|----------------------|
| <input type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Certification Made Available to Trade Determination | § 40.6(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.24(a) |
| <input type="checkbox"/> | Delisting (No Open Interest) | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Approval Made Available to Trade Determination | § 40.5(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.24(c) |
| <input type="checkbox"/> | Approval Amendments to enumerated agricultural products | § 40.4(a), § 40.5(a) |
| <input type="checkbox"/> | "Non-Material Agricultural Rule Change" | § 40.4(b)(5) |
| <input type="checkbox"/> | Notification | § 40.6(d) |

Official Name(s) of Product(s) Affected:

Rule Numbers:

September 2, 2014

VIA ELECTRONIC PORTAL

Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

**RE: CFTC Regulation 40.6(a) Certification. Adoption of Rule 771 (“Alternative Delivery Process”).
CME Submission No. 14-375**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME”) hereby notifies the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it will be adopting new Rule 771 (“Alternative Delivery Process”) effective on September 17, 2014.

Rule 771 will be available to all physically delivered futures products of CME and will allow clearing members to agree to terms and conditions that differ from the Exchange and Chapter 7 rules. The process will require matched clearing members to submit a form titled Alternative Notice of Intention to Deliver (“ANID”), attached hereto as Exhibit A, which must be signed by each of the matched clearing member. Upon receipt of a signed ANID, the Exchange and clearing members are released from their respective obligations outlined in Chapter 7 and any other requirements outline in the applicable product chapter. Consequently, performance bonds held by CME Clearing will be released at the next clearing cycle relevant to the product delivery date. Further, proposed Rule 771 will offer clearing members an alternative to clearing members and their customers with delivery obligations beyond invoking CME Rule 770 (“Delivery Obligation Transfer Procedures”).

CME reviewed the derivatives clearing organization (“DCO”) core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”). During the review, staff identified that the adoption of Rule 771 may have some bearing on the following Core Principles:

Risk Management: Rule 771 is currently available under the product rules of the NYMEX energy complex. The process has proven to be a useful risk management method through the delivery period since it allows customers the ability to manage physical product flow appropriately without causing market congestion or distortion in the futures market.

Settlement Procedures: Rule 771 clearly states that following delivery of an executed Alternative Notice of Intention to Deliver for a physical delivery, the Exchange is released from its obligations under the rules relating to such physical delivery.

Public Information: As required by this Core Principle, market participants will be apprised of the revisions via the issuance of a Special Executive Report.

CME certifies that the adoption of Rule 771 complies with the Act and regulations thereunder. There were no opposing views to this proposal.

CME certifies that this submission has been concurrently posted on the CME Group website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

If you have any questions regarding this submission, please contact Tony Zangrilli, Senior Director of Clearing Operations at 312-930-3356 or via e-mail at Anthony.Zangrilli@cmegroup.com. Alternatively, you may contact me at 212-299-2228 or via e-mail at Jason.Silverstein@cmegroup.com. Please reference CME Submission No. 14-375 in any related correspondence.

Sincerely,

/s/ Jason Silverstein
Executive Director & Associate General Counsel

Attachments: Exhibit A – Alternative Notice of Intention to Deliver (“ANID”) Form
 Exhibit B – Text of Proposed Rule 771

EXHIBIT A

Alternative Notice of Intention to Deliver (“ANID”) Form

(Attached under separate cover)

EXHIBIT B

CME/CBOT/NYMEX Rule 771

Rule 771. Alternative Delivery Process (“ADP”)

A seller and buyer matched by the Exchange may agree to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Chapter, and the applicable chapter which contains the contract specifications for the products being delivered, and such other requirements as the Exchange may prescribe.

In such instances, matched clearing members shall execute an Alternative Notice of Intention to Deliver in the form and manner prescribed by the Exchange and shall deliver a completed and executed copy of such notice to the Exchange. The delivery of an executed Alternative Notice of Intention to Deliver to the Exchange shall release the clearing members and the Exchange from their respective obligations under the rules of this Chapter and any other Exchange rules and requirements regarding physical delivery.

In executing such notice, clearing members shall indemnify the Exchange against any liability, cost, or expense the Exchange may incur, for any reason, as a result of the execution, delivery or performance of such contract or such agreement, or any breach thereof or default thereunder. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Exchange will return to the clearing members all margin monies held for the account of each with respect to the contracts involved.