

CHICAGO MERCANTILE EXCHANGE INC.

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OFFICE OF THE SECRETARIAT

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VIA FACSIMILE

Ms. Jean A. Webb
Office of the Secretariat
Commodity Futures Trading Commission
Three LaFayette Centre
1155 21st Street, N.W.
Washington, DC 20581

COMMENT

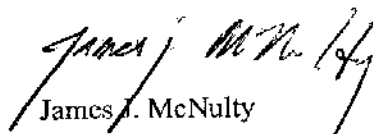
Re: Reporting Levels for Security Futures Products

Dear Ms. Webb:

On December 13, 2001, the Commodity Futures Trading Commission ("Commission") published for comment proposed regulations that establish reporting levels for security futures products ("SFPs") traded on designated contract markets and notice-designated contract markets. The reporting levels that are being proposed are 1000 contracts for an SFP involving an individual security and 200 contracts for an SFP involving a narrow-based index of equity securities.

Chicago Mercantile Exchange Inc. ("CME") believes that reporting levels for large traders are an important part of an effective market surveillance program and are designed to ensure a fair and liquid marketplace. CME supports the Commission's proposed reporting levels for SFPs and believes that the proposed levels appropriately balance the protection of market integrity with administrative burdens. CME also supports the Commission's intention to review the proposed reporting levels an appropriate amount of time after trading in SFPs commences to determine if they provide adequate coverage for effective market surveillance.

Very truly yours,


James J. McNulty

cc: Honorable James E. Newsome, Chairman
Honorable Barbara Pedersen Holum
Honorable Thomas J. Erickson

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