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CHICAGO MERCANTILE EXCHANGE

30 South Wacker Drive, Chicago IL 60606-7499, Tel. 312-930-1000

October 6, 2003

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

**RE: Application Process for Members Not Accessing the Trading Floor
Submission No. 03-85**

Dear Ms. Webb:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commission that the Exchange has approved a new rule that allows for individuals seeking membership on the Exchange who will not be accessing the trading floor to apply for membership using a short form application. The new rule is attached along with necessary changes to the previous Rule 105.B. with additions underlined and deletions lined-out.

The Exchange certifies that this revision neither violates nor is inconsistent with any provision of the Commodity Exchange Act or of the rules and regulations thereunder.

If you have any questions regarding this matter, please call me at (312) 648-5422.

Sincerely,

/S/ Stephen M. Szarmack
Director and Associate General Counsel

cc: Mr. David Van Wagner

SMS/elm/3534/SUB-85

105.

APPLICATION FOR MEMBERSHIP

[No change to 105.A.]

105.B. Application Process for Members Not Accessing the Trading Floor

The applicant shall file an Application for Membership. Such Application shall: include an agreement by the applicant to take no recourse against the Exchange in the event his application is rejected (except as provided in Section 8c of the Commodity Exchange Act); set forth all financial arrangements made in connection with the proposed purchase of the membership and associated Class B Share; contain an agreement to abide by the rules and regulations of the Exchange and all amendments thereto; and contain an acceptance of the burdens and risks inherent in an application for membership which may be rejected.

The applicant shall receive temporary non-trading floor membership privileges upon the completion of the above documentation so long as the information provided does not provide grounds for a rejection of the applicant. An applicant that receives temporary non-trading floor membership privileges shall be subject to all of the rules of the Exchange including the rules related to the approval and rejection of an applicant. Such temporary non-trading floor membership privileges will expire upon the earlier of: 1) sixty days after the temporary membership privileges are granted; 2) a rejection of the applicant's membership application by the Membership Committee; or 3) notification that the application for membership has been approved. An applicant who receives temporary non-trading floor membership privileges who is subsequently rejected for membership shall reimburse the Exchange for the difference between trading and clearing fees paid by reason of the temporary membership status and the fees that would have been paid on the same transaction at the rates that would have otherwise prevailed.

The Shareholder Relations and Membership Services Department shall notify the membership, by ordinary mail and by posting for a period of 20 days, of the name of the applicant, the seller or transferor and the purchase price. The notice shall request the submission to the Shareholder Relations and Membership Services Department of claims against the seller or transferor arising out of Exchange futures transactions or any other relationship regulated by the Exchange. During the posting period, the Shareholder Relations and Membership Services Department shall prepare a report on the qualifications of the applicant.

The application of a member who purchases a membership and associated Class B Share or is transferred a membership may be approved by Exchange staff before the expiration of the posting period, provided the member obtains an indemnification agreement in favor of the Exchange from a clearing member to cover Rule 110 claims up to the value of the membership and associated Class B Share at the time of purchase or transfer.

An applicant who has acquired a membership prior to election to membership shall become a member upon such election. An applicant elected to membership prior to acquiring a membership shall become a member if within thirty calendar days after election to membership, he shall procure a membership, otherwise his election to membership shall be deemed vacated and the Exchange shall retain the membership application processing fee. Extensions of the 30-day period in which the applicant must acquire a membership may be granted by Exchange staff.

105.BC. Application for Floor Broker's or Floor Trader's License

Each membership applicant shall apply for registration as a floor broker or a floor trader with the National Futures Association and shall provide the Exchange with a copy of such application prior to consideration of his Exchange application by the Membership Committee. Exchange staff may waive this requirement for applicants who are not required by CFTC Regulations to register as a floor broker or floor trader.