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OFC. OF THE SECRETARIAT

August 27, 2007

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

RE: Exchange Certification of Amendments to CME Lehman Brothers U.S.
Aggregate Index Futures. Submitted per Section 5c(c)(1) and Regulation Section 40.6(a).
CME Submission #07-68.

Dear Mr. Stawick:

Chicago Mercantile Exchange (“CME” or “Exchange”) hereby notifies the Commission of its intentions with respect to several issues associated with its CME Lehman Brothers U.S. Aggregate Index futures pursuant to Section 5c(c)(1) of the CEA and Regulation Section 40.6(a) thereunder. Specifically, the Exchange ...

- Will list CME Lehman Brothers U.S. Aggregate Index futures for trading on Sunday, September 30, 2007 for trade date October 1, 2007 exclusively on the CME Globex® electronic trading platform.
- Provides a clarifying amendment to Rule 43503.B., Final Settlement. Specifically, we define the Final Settlement Day as the “first business day following the Termination of Trading day.” This is intended to dovetail with current clearing cycles. The Index value utilized for purposes of final settlement is typically released between 8:00 and 9:00 p.m. (Central time), but sometimes later during periods of excessive market volatility. The clearing cycle requires settlement price input by 4:00 p.m. (Central time). Appendix 1 depicts the Rule amendment with additions underscored and deletions bracketed and overstruck. Appendix 2 provides a clean copy of the amended Rules cited in Appendix 1.

- Shall permit block trading to be conducted in the context of the CME Lehman Brothers U.S. Aggregate Index Futures Contract with a fifty (50) contract minimum transacted quantity requirement. In particular, the 50 contract block trade minimum quantity is designated to the extent that we believe it will represent a sizable value relative to values currently traded in associated markets tied to the Lehman Brothers U.S. Aggregate Bond Index (“the Index”).

Lehman Aggregate Bond Fund (AGG)
(as of August 23, 2007)

Total Net Assets (000's)	\$6,551,780
Shares Outstanding	66,200,000
Net Asset Value	\$98.97
Median Daily Volume	272,450
Mean Daily Volume	344,170

Note: Daily volume based on one-year period from 8/11/06 thru 8/9/07

Specifically, consider the experience of the iShares Lehman Aggregate Bond Fund ETF (Ticker: “AGG”) which commenced trade on September 23, 2003. Median daily volume over the one-year period from 8/11/06 through 8/9/07 was 272,450 shares, representing daily trading value of \$26,964,376 (= \$98.97 x 272,450). Mean daily volume over the same period was 344,170, representing daily trading value of \$36,062,505 (= \$98.97 x 344,170). The Index has recently been observed in the vicinity of 1,300 which suggests that a single CME futures contract would represent \$130,000 in notional value (= \$100 x 1,300).

Fifty (50) CME futures would represent approximately \$6.5 million in value or approximately 24% (= \$6,500,000 / \$26,964,376) of AGG’s median daily trading value; or, approximately 18% (= \$6,500,000 / \$36,062,505) of AGG’s mean daily trading value. Accordingly, we suggest that the designated block trade minimum is large relative to current activity in Index related products and, by implication, activity in the forthcoming futures contract.

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The Exchange certifies that this action complies with the Commodity Exchange Act and the regulations thereunder.

If you have any questions regarding this submission, please contact John Nyhoff at (312) 930-2310 or via e-mail at john.nyhoff@cmegroup.com. Please refer to CME Submission #07-68 in all correspondence regarding this matter.

Sincerely,



John W. Labuszewski, Managing Director
Research & Product Development

cc: Mr. Thomas M. Leahy

/jen

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Appendix 1: Amendments to Chapter 435

Deletions are bracketed and overstruck, additions are underscored.)

Chapter 435: CME Lehman Brothers U.S. Aggregate Index Futures Contract

43503.B. Final Settlement

Clearing members holding open positions in a CME Lehman Brothers Aggregate Index futures contract at the time of termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the final settlement price. The final settlement day shall be the first business day following the Termination of Trading day.

Appendix 2: Clean Copy of Amendment to Chapter 435

Chapter 435: CME Lehman Brothers U.S. Aggregate Index Futures Contract

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