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Timothy R. Elliott  
Director and Associate General Counsel  
Legal Department

January 5, 2012

**VIA E-MAIL**

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

**Re: Regulation 40.2 Rule Certification; Chicago Mercantile Exchange, Inc.  
Submission #12-005– Amendments to CME Rules 40201 and 41801 regarding  
the addition of new Snowfall Monthly and Seasonal Locations.**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. hereby notifies the Commission regarding the addition of four new CME Snowfall Monthly & Seasonal locations. The new locations are: Newark International Airport (WBAN 14734), Baltimore-Washington International Airport (WBAN 93721), Columbus Port-Columbus International Airport (WBAN 14821) and Colorado Springs Municipal Airport (WBAN 93037).

The amendments will become effective on Sunday, January 29, 2012 for trade date Monday, January 30, 2012.

- Months listed for trading – February 2012, March 2012 and April 2012.
- The Block trade minimum will be 20, as with all existing weather products. The No Bust range will be 200 points or 2 inches. Reportable level will be 25.
- Electronic Trading Hours: Sunday 5:00 P.M. to Friday 3:15 P.M. Daily trading halts from 3:15 P.M. to 5:00 P.M. (9:00 A.M. on Last Trading Day). CME Snowfall Index futures will trade exclusively on GLOBEX®.
- Floor Trading Hours: 8:30 A.M. to 3:15 P.M (9:00 A.M. on Last Trading Day). CME Snowfall Index options will trade exclusively on the floor.

CME Snowfall contracts currently cover six locations throughout the United States. As the contract has grown, market users have asked for additional locations. The expansion of locations will include high density geographical areas that will enable participants with more trading opportunities.

These new locations have been selected with the same criteria as the other snowfall and weather reporting stations. These stations are at secured locations that are monitored by the National Weather Service on an hourly basis. To limit access, only sanctioned personnel from the National Weather Service are granted access to the weather reporting station. These sites are usually surrounded by fencing and/or cameras to protect against unauthorized access.

CME's index provider MDA Earthsat Weather monitors the data from these stations for reporting accuracy. Given the location of the stations and the security measures in place, tampering with a weather station is a highly unlikely event, thus a very low probability of manipulation of the contracts.

The Commodity Research and Product Development and Commodity Products & Services Departments at the Exchange and the Exchange's Legal Department collectively reviewed the designated contract market ("DCM") core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, we have identified that the revisions to Rules 40201 and 41801 may have some bearing on the following Core Principle:

- **Contracts Not Readily Subject to Manipulation:** The expansion of locations will include high density geographical areas. The new locations have been selected with same criteria as the other snowfall and weather reporting stations. These stations are at secured locations that are monitored by the National Weather Service on an hourly basis. These stations are a vital link in the air traffic control system for the United States, providing essential weather data for the entire aviation system, therefore all stations are kept under continuous monitoring. Given the location of the stations and the security measures in place, tampering with a weather station is a highly unlikely event, thus a very low probability of manipulation of the contracts.
- **Prevention of Market Disruption:** Trading in these contracts will be subject to the CME rules ("Rulebook") Chapters 4 and 7 which include prohibitions on manipulation, price distortion and disruptions of the delivery or cash-settlement process. As with all products listed for trading on one of CME Group's designated contract markets, activity in the new products will be subject to extensive monitoring and surveillance by CME Group's Market Regulation Department.
- **Compliance with Rules:** Trading in these snowfall contracts will be subject to the rules in Rulebook Chapter 4 which includes prohibitions against fraudulent, noncompetitive, unfair and abusive practices. Additionally, trading in these contracts will also be subject to the full panoply of trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the Rulebook. As with all products listed for trading on one of CME Group's designated contract markets, activity in the new products will be subject to extensive monitoring and surveillance by CME Group's Market Regulation Department. The Market Regulation Department has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.
- **Position Limitations or Accountability:** The same standards will apply to these new snowfall contracts that currently apply to the existing contracts. That standard is as follows:
  - A person shall not own or control more than 10,000 contracts net long or net short in all contract months combined.
  - For positions involving options on the respective CME Snowfall Index futures, this rule is superseded by the option speculative position limit rule.
- **Availability of General Information:** The Exchange will publish information on the contracts' specification on its website, together with daily trading volume, open interest and price information.
- **Daily Publication of Trading Information:** Trading volume, open interest and price information will be published daily on the Exchange's website and via quote vendors.

- **Financial Integrity of Contracts:** All contracts traded on the Exchange will be cleared by the Clearing House of the Chicago Mercantile Exchange Inc. which is a registered derivatives clearing organization with the Commission and is subject to all Commission regulations related thereto.
- **Execution of Transactions:** Futures and Options for the new snowfall locations will be listed on the trading floor and trade Monday thru Friday from 8:30 a.m. to 3:15 p.m. Chicago time starting on January 30, 2012. On February 13, 2012, Only the Snowfall futures will then migrate to Globex and will trade from Sunday 5:00 p.m. – Friday 3:15 p.m. with daily trading halts from 3:15 p.m. to 5:00 p.m. Chicago time. Once the futures are listed on Globex, then these new locations will have the same trading venue as the currently listed snowfall contracts. Block trading is the preferred method for trading all weather contracts and this new snowfall locations fall into that venue. The current minimum weather block trade is 20 and the new locations will have the same requirement.
- **Dispute Resolution:** Disputes with respect to trading in snowfall contracts will be subject to the arbitration provisions set forth in Chapter 6 of the Rulebook. The rules in Chapter 6 allow all nonmembers to submit a claim for financial losses resulting from transactions on the Exchange to arbitration. A member named as a respondent in a claim submitted by a nonmember is required to participate in the arbitration pursuant to the rules in Chapter 6. Additionally, the Exchange requires that members resolve all disputes concerning transactions on the Exchange via arbitration.
- **Protection of Market Participants:** Rulebook Chapters 4 and 5 contain multiple prohibitions precluding intermediaries from disadvantaging their customers. These rules apply to trading on all of the Exchange's competitive trading venues and will be applicable to transactions in these products.
- **Trade Information:** All required trade information is included in the audit trail and is sufficient for the Market Regulation Department to monitor for market abuse.
- **Disciplinary Procedures:** Chapter 4 of the Rulebook contains provisions that allow the Exchange to discipline, suspend or expel members or market participants that violate the rules. Trading in snowfall contracts will be subject to Chapter 4, and the Market Regulation Department has the authority to exercise its enforcement power in the event rule violations in these products are identified.

Pursuant to Section 5c(c) of the Commodity Exchange Act ("Act") and CFTC Regulation 40.2, the Exchange hereby certifies that the attached contracts comply with the Act, including regulations under the Act. There were no substantive opposing views to this proposal. **The amendments will become effective on Sunday, January 29, 2012 for trade date Monday, January 30, 2012.**

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

The revisions to Rules 40201 and 41801 appear below, with additions underscored and deletions overstruck.

**Chapter 402**  
**CME Seasonal Strip Snowfall Index Futures**

(Prior Rule Unchanged)

**40201. COMMODITY SPECIFICATIONS**

Daily snowfall is defined as the total snowfall recorded at a particular location between midnight and 11:59 P.M. as reported by MDA Information Systems, Inc..

Each particular CME Seasonal Strip Snowfall Index is defined as the accumulation of like snowfall values over a minimum of two, and a maximum of six, consecutive calendar months. The first calendar month in the strip may be November or later, and the last calendar month in the strip may be April or earlier. The accumulation period for each strip contract begins with the first calendar day of the contract month of the strip and ends with the last calendar day of the last month of the defined strip.

The table below lists the cities and their corresponding weather stations:

**Listing Cities and Corresponding Weather Stations**

New York Central Park (WBAN 94728)  
Boston Logan International Airport (WBAN 14739)  
New York LaGuardia Airport (WBAN 14732)  
Chicago O'Hare International Airport (WBAN 94846)  
Minneapolis/St. Paul Airport (WBAN 14922)  
Detroit Metro Airport (WBAN 94847)  
Newark International Airport (WBAN 14734)  
Baltimore-Washington International Airport (WBAN 93721)  
Columbus Port-Columbus International Airport (WBAN 14821)  
Colorado Springs Municipal Airport (WBAN 93037)

(Remainder of Rule Unchanged)

**Chapter 418**  
**CME Snowfall Index Futures**

(Prior Rule Unchanged)

**41801. COMMODITY SPECIFICATIONS**

Daily snowfall is defined as the total snowfall recorded at a particular location between midnight and 11:59 P.M. as reported by MDA Information Systems, Inc.

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Monthly snowfall is defined as the sum of daily snowfall values for a particular location for a calendar month. The accumulation period for each contract begins with the first calendar day of the contract month and ends with the last calendar day of the contract month.

The table below lists the cities and their corresponding weather stations:

**Listing Cities and Corresponding Weather Stations**

New York Central Park (WBAN 94728)  
Boston Logan International Airport (WBAN 14739)  
New York LaGuardia Airport (WBAN 14732)  
Chicago O'Hare International Airport (WBAN 94846)  
Minneapolis/St. Paul Airport (WBAN 14922)  
Detroit Metro Airport (WBAN 94847)  
Newark International Airport (WBAN 14734)  
Baltimore-Washington International Airport (WBAN 93721)  
Columbus Port-Columbus International Airport (WBAN 14821)  
Colorado Springs Municipal Airport (WBAN 93037)

(Remainder of Rule Unchanged)

\* \* \* \*

If you have any questions regarding this submission, please contact me at 312.466.7478 or via email at [tim.elliott@cmegroup](mailto:tim.elliott@cmegroup). Please reference CME Submission No. 12-005 in any related correspondence.

Sincerely,

/s/ Tim Elliott  
Director, Associate General Counsel