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February 15, 2011

OFFICE OF THE
SECRETARIAT

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

**Re: Regulation 40.5. Request for Commission Rule Approval of
Amendments to CME Rules 6002.E. and 60A01.F., Position Limits.
CME Submission No. 11-071**

Dear Mr. Stawick:

I. SUBMISSION

In accordance with Regulation §40.4, Chicago Mercantile Exchange Group ("Exchange") hereby requests review and approval, under the provisions of Regulation §40.5, of amendments to Cheese Futures Rule 6002.E and Options on Cheese Futures Rule 60A01.F.

II. TEXT OF PROPOSED RULE CHANGES

The text of the proposed rule amendments is given below. Deletions are overstruck, additions are underlined.

**CHAPTER 60
CHEESE FUTURES**

6002.E. Position Limits

No person shall own or control more than:

[1.] 1000 contracts long or short in any contract month[;].

[2.] ~~500 contracts long or short in the expiring contract month as of the close of business on the business day immediately preceding the last 5 trading days in the expiring contract.~~

For positions involving options on the underlying futures, this rule is superseded by the option speculative position limit rule.

(Remainder of Rule Unchanged)

**CHAPTER 60A
OPTIONS ON CHEESE FUTURES**

(Prior Rule Unchanged)

60A01.F. Position Limits

No person shall own or control a combination of options and underlying futures that exceeds:

- [1.] 1000 futures equivalent contracts net on the same side of the market in any contract month.
- [2.] ~~500 futures equivalent contracts net on the same side of the market in the expiring contract month as of the close of business on the business day immediately preceding the last 5 trading days in the expiring contract.]~~

For the purpose of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series. Also for purposes of this rule, a long call option, a short put option, and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option, and a short underlying futures contract are on the same side of the market.

(Remainder of Rule Unchanged)

III. EFFECTIVE DATE AND RULE PROMULGATING AUTHORITY

The Exchange, pursuant to Rule 230.j., approved these proposed amendments on February 04, 2011. The amendments will become effective for all contract months after Commission approval.

IV. OPERATION, PURPOSE AND EFFECT OF THE PROPOSED AMENDMENTS

The amendments increase the spot month position limit to 1000 contracts, and remove the monthly position limit come-down for cheese futures and options.

Over the life of the cheese contract, the reportable loads of cheese reported on the "NASS Weekly Cheese Survey" have been within the 1000 contract range on a monthly basis. This volume is sufficient to allow the removal of the come-down in the spot month. The Exchange is requesting Commission approval of these rule changes under Regulation 40.5.

Data will be supplied to CFTC staff under separate cover in an Excel spreadsheet format.

V. OPPOSING VIEWS

There were no substantive opposing views to the proposed amendments.

VI. APPLICATION OF THE ACT AND REGULATIONS

There does not appear to be any need for amendment or interpretation of the Act and Regulations in order to approve the proposed amendments.

VII. CONFIDENTIAL TREATMENT

Confidential treatment is not requested for this submission.

If you require any additional information regarding this action, please do not hesitate to contact Mr. Charles Piszczor at 312-930-4536 or via e-mail at charles.piszczor@cmegroup.com or me at (212) 299-2207. We would be appreciative if you could reference our CME Submission No. 11-071 in any related correspondence.

Sincerely,

/s/ Felix Khalatnikov
Director & Associate General Counsel

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