



Jason Silverstein  
Director and Associate General Counsel  
Legal Department

February 24, 2012

**VIA E-MAIL**

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

**RE: Temporary Modification to Fee Schedule for OTC Interest Rate Swap Clearing ("OTC IRS") CME Submission No. 12-055**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME") hereby notifies the Commodity Futures Trading Commission ("Commission") that it plans to implement a temporary modification to the schedule of fees (the "Fee Schedule") that will apply to IRS Clearing Members backloading OTC IRS transactions at CME. The temporary Fee Schedule modification will become effective on March 12, 2012 and will expire September 30, 2012.

Exhibit 1 sets forth the details of the temporary fees will that will be applicable to IRS Clearing Members backloading OTC IRS transactions at CME.

CME reviewed the designated clearing organization core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, CME identified the following Core Principles as potentially being impacted:

**Financial Resources:** This temporary modification to the Fee Schedule will have a non-material impact on the financial resources of the CME Clearing House. As such, it will not prevent the Clearing House from demonstrating that it has adequate financial, operational, and managerial resources to discharge its responsibilities as a DCO;

**Participant and Product Eligibility.** The Fee Schedule sets forth fees that will apply to all IRS Clearing Members backloading OTC IRS transactions at CME. CME believes that the temporary modification to the Fee Schedule will encourage IRS Clearing Members to submit additional volume into the system to ensure system readiness and help build open interest ahead of a regulatory mandate.

**Rule Enforcement.** CME does not believe the Fee Schedules incentivize market abuse in any way and does not otherwise impact any aspects of CME's risk management, settlement procedures, treatment of funds or default rules or procedures. Chapter 4 of CME rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices.

CME certifies that the temporary modification to the Fee Schedule complies with the Commodity Exchange Act and the regulations thereunder. There were no substantive opposing views to this modification.

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

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If you require any additional information regarding this submission, please contact Steve Dayon at 312-466-4447 or via e-mail at [steven.dayon@cmegroup.com](mailto:steven.dayon@cmegroup.com), or contact me at 212-299-2228. Please reference our CME Submission No. 12-055 in any related correspondence.

Sincerely,

/s/ Jason Silverstein  
Director & Associate General Counsel

Enclosure:     Exhibit 1 –     OTC Interest Rate Swaps IRS Clearing Member Fee Schedule for  
Backloaded Trades

# EXHIBIT 1

## OTC INTEREST RATE SWAPS IRS CLEARING MEMBER FEE SCHEDULE FOR BACKLOADED TRADES

From March 12, 2012 through September 30, 2012, all house accounts of CME IRS Clearing Members will be charged a flat fee of \$250 per ticket on a pre-allocation basis for all backloaded\* trades in OTC IRS transactions that are cleared by CME.

\* A backloaded trade means a trade accepted for clearing where the Effective Date for the trade is prior to the date the trade was accepted for clearing.