CME Group

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Executive Director and Associate General Counsel
Legal Department

April 12, 2012

BY ELECTRONIC FILING

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

RE: CME Eurodollar Futures/Eris Exchange Interest Rate Swap Futures Portfolio Margining Program, Submission #12-114

Dear Mr. Stawick:

Pursuant to Commission Regulation 40.6(a), Chicago Mercantile Exchange Inc. (CME) hereby notifies the Commodity Futures Trading Commission that it intends to offer portfolio margining of CME Eurodollar futures together with Eris Exchange Interest Rate Swap futures. The portfolio margining program will be available for house accounts and customer accounts. With regard to customer accounts, all products in this program are futures governed by Section 4d(a)(2) of the Act and Regulations promulgated thereunder. The proposed effective date for this program is Monday, April 30, 2012.

As the Commission is aware, the clearing house division of CME (CME Clearing) acts as the derivatives clearing organization (DCO) for products listed on the Eris Exchange. CME Eurodollar futures are, of course, also cleared and settled by CME Clearing. The portfolio margining program will allow accounts with offsetting positions in CME Eurodollar futures and Eris Exchange contracts to obtain risk offsets and, hence, lower performance bond (initial margin) requirements. We anticipate extending the program in the near term to include offsets between Eris Exchange Interest Rate Swap futures and certain Treasury futures (Bonds, Notes and Ultra Bonds) listed on the Chicago Board of Trade, for which CME Clearing also acts as the DCO.

Actual risk offsets will vary by portfolio, and will be greater for more highly correlated positions. The reduced margin requirements will be reflected in datafiles provided by CME Clearing to clearing members. Firms may also use CME's margin software to verify margin calculations for these portfolios and perform "what if" analyses.

The proposed portfolio margining program comports with DCO Core Principle G (Risk Management), and with new Commission Regulation 39.13(g)(4) (Spread and Portfolio Margins), which provides, in pertinent part, that a DCO "may allow reductions in initial margin requirements for related positions if the price risks with respect to such positions are significantly and reliably correlated."

No substantive opposing views regarding the proposed portfolio margining program were expressed to CME.

CME certifies that this submission has been concurrently posted on its website at http://www.cmegroup.com/market-regulation/rule-filings.html. CME further certifies that this rule amendment complies with the Commodity Exchange Act and regulations promulgated thereunder.

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Should you have any questions regarding this submission, please contact me at (312) 338-2483 or via e-mail at lisa.dunsky@cmegroup.com. Please reference our Submission No. 12-114 in any related correspondence

Sincerely,

Lisa Dunsky

Lisa A. Dunsky
Executive Director and Associate General Counsel