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December 19, 2007

SENT VIA E-MAIL:

submissions@cftc.gov

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

Re: Submission pursuant to Commission Regulation 40.5

Dear Mr. Stawick:

- I. **Submission.** The Kansas City Board of Trade ("KCBT") hereby submits for Commission review and approval, pursuant to Commission Regulation Section 40.5, proposed amendments to Rule 2006.00 removing the daily price limit for the expiring contract month of KCBT wheat futures, beginning with the second business day preceding the first delivery day of such contract month. The Board of Directors, in a regular meeting held on December 18, 2007, acting pursuant to authority granted them under Rules 233.01(o) and 2006.00, approved the amendments to Rule 2006.00. In the opinion of KCBT, the rights of open position holders are not significantly altered by these proposed rule amendments.
- II. **Date of Implementation.** Amended Rule 2006.00 shall be effective with the March 2008 contract month. The first business day in which the rule amendments would be practically applicable will be Thursday, February 28, 2008 (the second business day preceding the first delivery day for the March 2008 wheat futures contract). This proposed effective date is contingent upon Commission approval pursuant to Regulation Section 40.5.
- III. **Substantive Opposing Views.** To the knowledge of the Board of Directors and staff, no substantive opposing views were expressed by members or others regarding the amendments.

- IV. **Text of Proposed Rule.** The text of amended Rule 2006.00 is shown as follows, with additions underlined and deletions lined out:


Chapter 20 Wheat Futures

2006.00 Limitation On Fluctuation Of Prices. The Board of Directors may at any time, upon ten (10) hours' notice, by resolution, provide that there shall be no trading in any specified contract for delivery in any specified month at prices more than a fixed limit above or below the official closing price of the preceding business day. Any member who enters into any contracts under the rules of the Board of Trade in violation of such resolution shall be subject to disciplinary action pursuant to Chapter 14.

Note: Pursuant to a Resolution of the Board of Directors on December 18, 2007, there shall be no trading in wheat futures at a price more than \$.30 per bushel above or below the previous day's settlement price, except that there shall be no price limits on the current month contract on or after the second business day preceding the first day of the delivery month. The daily trading limit is thirty cents (30¢) pursuant to a Resolution of the Board of Directors on September 26, 2000.

- V. **Operation, Purpose & Effect of Proposed Rule.** The exchange received a request from a market user to consider removing the daily price limit for wheat futures beginning with the first business day in which delivery notices can be delivered to the KCBT Clearing Corporation (pursuant to Rule 1200.02, that is the second business day prior to the first delivery day). The recent trend of extraordinary price levels and volatility make a market user's ability to redeliver less certain. If a market participant catches delivery of positions and is unable to redeliver due to price limit constraints, it may force such user to exit the market prior to the delivery period, thus removing position management flexibility. Eliminating the expiring month price limit will afford market users the ability to position themselves for redelivery by allowing the marketplace to continue pricing the contract during the delivery period without price limit constraints. The proposed rule change is consistent with CBOT Rule 1410.2(D).
- VII. **Closing.** Any questions regarding this submission should be directed to the undersigned at 816-753-7500.

Sincerely,



Jeff C. Borchardt
President