

December 15, 2005

Ms. Jean A. Webb
Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, NW.
Washington, DC 20581

Re: Reference File #2611.01
Request for Commission Rule Approval

Dear Ms. Webb:

- 40.5(a) (i) The following Request for Commission Rule Approval is submitted pursuant to Section 5c(c) of the Commodity Exchange Act and Commission Regulations 40.4 and 40.5.
- 40.5(a) (ii) The Chicago Board of Trade (CBOT[®]) hereby notifies the Commodity Futures Trading Commission (CFTC) that it intends, with CFTC approval, to amend CBOT Regulations 1109.01, 1146.01, 1180.01 and 1181.01 for CBOT Soybean Oil Futures as indicated in the attached texts (additions underlined; deletions bracketed and struck through). These amendments will:
- Change last delivery day from the last business day of the month to the seventh business day following last trading day; and
 - Reduce the maximum deliverable capacity at regular warehouses from 30 to 20 times a warehouse's registered daily rate of loading.
- 40.5(a) (iii) The Board of Directors approved these regulation changes pursuant to the CBOT Charter, Article VIII and the CBOT Bylaws, Article IX.

The CBOT intends to implement these amendments, following CFTC approval, for all Soybean Oil futures contract months from January 2007 forward.

The CBOT notes that these revisions would apply to contract months (January 2007, March 2007, July 2007 and December 2007) that currently have open interest. However, the CBOT submits that these revisions would not have a pricing impact on the futures contracts, and that therefore the existence of open interest is not relevant to the Exchange's implementation plan. Furthermore, the open interest in these Soybean Oil futures contracts is minimal (1 contract in January 2007, 1 contract in March 2007, 22 contracts in July 2007 and 1 contract in December 2007 as of December 14, 2005).

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40.5(a) (iv) Soybean Oil currently delivers through the end of the delivery month. However, Wheat and Oat futures, also warehouse receipt products, have delivery periods that end seven days after the last trading day. The Exchange believes that ending the delivery period seven days after the last trading day will reduce uncertainty for the buy side of the market without disadvantaging the sell side. Using December 2005 as an example, a buyer who holds a long position after the expiration of trading on December 14 will receive delivery no later than December 23 under the proposed rule compared to December 30 under the current rule.

Soybean Oil futures trading terms and conditions specify maximum deliverable capacity for a regular warehouse at 30 times the warehouse's registered daily rate of loading. Corn and Soybean futures specify maximum deliverable capacity at 20 times a shipping station's registered daily rate of loading, and Soybean Meal futures specify maximum deliverable capacity at 15 times the shipping plant's registered daily rate of loading plus the amount of meal in store. The Exchange believes that Soybean Oil futures have more than the required amount of deliverable capacity (4 times the spot month speculative position limit) and when compared to other CBOT agricultural commodities. Therefore, the Exchange intends to reduce the maximum deliverable capacity from 30 times the warehouse's registered daily rate of loading to 20 times the warehouse's registered daily rate of loading. This change will also improve the efficiency of the delivery mechanism for a buyer who intends to take load-out of soybean oil at a regular facility that has delivered its total capacity, since load out must be completed in 20 business days rather than 30 business days

40.5(a) (v) There were no opposing views among the CBOT Board of Directors concerning this proposal.

40.5(a) (vi) The CBOT has not identified any Commission regulations or sections of the Act which require interpretation or amendment in connection with this proposal.

Questions in this regard may be directed to David Lehman, Managing Director of Commodity Products, at (312)347-3848.

Sincerely,

Paul J. Draths
Vice President and Secretary

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Additions are **bold and underlined**. Deletions are [~~Bracketed with strikethrough~~].

- 1109.01** **Last Day of Trading** – No trades in Crude Soybean Oil futures deliverable in the current month shall be made after the business day preceding the 15th calendar day of that month and any contracts remaining open may be settled by delivery after trading in such contracts has ceased; and, if not previously delivered, delivery must be made [~~on the last business day of the month~~] **no later than the seventh business day following the last trading day**.
- 1146.01** **Date of Delivery** - Where Crude Soybean Oil is sold for delivery in a specified month, delivery of such Crude Soybean Oil may be made by the Seller upon such day of the specified month as the Seller may select. If not previously delivered, delivery must be made [~~upon the last business day of the month~~] **no later than the seventh business day following the last trading day**.
- 1180.01** **Duties of Warehouse Operators** - It shall be the duty of the operators of all regular warehouses:
- ...
- (f) To register their daily load-out rate in jumbo rail tank car equivalents (minimum of 4) with the Exchange. Warehouse Operators shall limit warehouse receipts issued to an amount of soybean oil equal to the lesser of their approved regular space or [~~30~~] **20** times the registered daily loading rate for jumbo tank cars times 185,000 pounds.
- 1181.01** **Conditions of Regularity** - Warehouses may be declared regular for the delivery of Crude Soybean Oil with the approval of the Exchange. Persons operating bulk oil warehouses who desire to have such warehouses made regular for delivery of Crude Soybean Oil under the Rules and Regulations shall make application for an initial Declaration of Regularity on a form prescribed by the Exchange prior to May 1 of an even year, for a two year term beginning July 1 of that year, and at any time during a current term for the balance of that term. Regular Soybean Oil Warehouses that desire to increase their regular capacity during a current term shall make application for the desired amount of total regular capacity on the same form. Initial regularity for the current term and increases in regularity shall be effective either thirty days after a notice that a bona fide application has been received is posted by the Exchange, or the day after the application is approved by the Exchange, whichever is later. Persons operating Soybean Oil Warehouses who desire to have their daily rate of loading decreased, shall file with the Exchange a written request for such decrease. The decrease in the daily rate of loading for the facility will become effective 30 days after a notice has been posted by the Exchange or the day after the number of outstanding receipts at the facility is equal to or less than [~~30~~] **20** times the requested rate of loading, whichever is later. Persons operating Soybean Oil Warehouses who wish to have their regular capacity space decreased shall file with the Exchange a written request for such decrease and such decrease shall be effective once a notice has been posted by the Exchange. Applications for renewal of regularity must be

made prior to May 1 of even years, for the respective years beginning July 1 of those years, and shall be on the same form.