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August 5, 2004

Ms. Jean A. Webb
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

RE: Section 5c(c) and Regulation §40.6(a) Submission,
Exchange Certification for Amendments to **INTERPRETATION OF RULE 135.A. REGARDING ALLOWABLE SPREADS FOR GEM MEMBERS**
CME Submission # 04-78.

Dear Ms. Webb:

Chicago Mercantile Exchange ("CME" or "Exchange") hereby notifies the Commission under the exchange certification procedure that the Board of Directors, on Wednesday, August 4, 2004, approved amendments to **INTERPRETATION OF RULE 135.A. REGARDING ALLOWABLE SPREADS FOR GEM MEMBERS** to add spreads between the Russell 1000® and both the Russell 2000® and E-mini Russell 2000® to the list of allowable spreads for GEM members.

GEM members trading the listed spreads on the trading floor are required to give up the non-GEM eligible leg of the spread to be executed by a division-qualified broker. The terms of the interpretation allow them to avoid leaving the trading floor to have the non-GEM eligible leg of the spread executed. In addition, GEM members trading spreads pay lessee clearing fee rates for the GEM eligible leg of the spread (member clearing fee rates for GEM division products) and non-member clearing fee rates for the non-GEM eligible leg of the spread.

This change will be effective immediately upon notification to shareholders and members who will be informed of these changes in CME Update 04-08 to be published on Monday, August 9, 2004. The Exchange certifies that these actions neither violate nor are inconsistent with any portion of the Commodity Exchange Act or of the rules thereunder.

The text of this change is provided in Appendix 1 to this document below - with additions underlined. A clean copy of the amended interpretation is provided in Appendix 2.

Please do not hesitate to contact Ms. Lori Aldinger at 312-930-2337 or laldinge@cme.com if any questions arise during the processing of this submission. Please reference our CME Submission #04-78 on all future correspondence for this submission.

Sincerely,

John W. Labuszewski, Director
Research & Product Development

Appendix 1

INTERPRETATION OF RULE 135.A. REGARDING ALLOWABLE SPREADS FOR GEM MEMBERS

(CME Update 96-7, March 25, 1996. Revised June 1997, July 1997, November 2000, November 2001, March 2003, January 2004, June 2004.)

Rule 135.A. provides that GEM members may not while on the floor of the Exchange enter orders for products of other Divisions except for bona fide spread transactions involving products within the GEM Division and that GEM members may not solicit business from the floor of the Exchange except for business in products traded in the GEM Division and bona fide spread involving such products.

The only allowable spreads involving non–GEM products that GEM members may enter into or solicit while on the trading floor are listed below:

GSCI	With	Live Cattle and Lean Hogs
Russell 2000	With	S&P 500, S&P Mid–Cap, Russell 1000
E-Mini Russell 2000	With	Russell 1000
S&P/Barra Growth and Value	With	S&P 500, S&P Mid–Cap
Live Cattle Serial (Odd) Months	With	Live Cattle Even Months*
East European Currencies	With	Euro FX
CME$INDEX™	With	Euro FX, Japanese yen, British pound, Swiss franc, Australian dollar, Canadian dollar, Swedish krona
E-Mini NASDAQ Composite	With	E-Mini NASDAQ-100, E-Mini S&P 500, E-Mini S&P MidCap 400, E-Mini Russell 2000, S&P SmallCap 600, Russell 1000, Financial SPCTR, Technology SPCTR.
CPI	With	Eurodollar
Yen Denominated Nikkei 225	With	Dollar Denominated Nikkei 225

*Provided the GEM member also maintains a Serial Month Live Cattle Permit.

When such spreads are executed on a legged basis, the GEM leg of the spread must always precede the non–GEM leg with the exception of the Live Cattle Serial Months/Live Cattle Even Months spread where either leg may be executed first. Please note that these restrictions do not apply to spreads in which all of the component parts are GEM products.

Appendix 2

INTERPRETATION OF RULE 135.A. REGARDING ALLOWABLE SPREADS FOR GEM MEMBERS

(CME Update 96-7, March 25, 1996. Revised June 1997, July 1997, November 2000, November 2001, March 2003, January 2004, June 2004.)

Rule 135.A. provides that GEM members may not while on the floor of the Exchange enter orders for products of other Divisions except for bona fide spread transactions involving products within the GEM Division and that GEM members may not solicit business from the floor of the Exchange except for business in products traded in the GEM Division and bona fide spread involving such products.

The only allowable spreads involving non–GEM products that GEM members may enter into or solicit while on the trading floor are listed below:

GSCI	With	Live Cattle and Lean Hogs
Russell 2000	With	S&P 500, S&P Mid–Cap, Russell 1000
E-Mini Russell 2000	With	Russell 1000
S&P/Barra Growth and Value	With	S&P 500, S&P Mid–Cap
Live Cattle Serial (Odd) Months	With	Live Cattle Even Months*
East European Currencies	With	Euro FX
CME$INDEX™	With	Euro FX, Japanese yen, British pound, Swiss franc, Australian dollar, Canadian dollar, Swedish krona
E-Mini NASDAQ Composite	With	E-Mini NASDAQ-100, E-Mini S&P 500, E-Mini S&P MidCap 400, E-Mini Russell 2000, S&P SmallCap 600, Russell 1000, Financial SPCTR, Technology SPCTR.
CPI	With	Eurodollar
Yen Denominated Nikkei 225	With	Dollar Denominated Nikkei 225

*Provided the GEM member also maintains a Serial Month Live Cattle Permit.

When such spreads are executed on a legged basis, the GEM leg of the spread must always precede the non–GEM leg with the exception of the Live Cattle Serial Months/Live Cattle Even Months spread where either leg may be executed first. Please note that these restrictions do not apply to spreads in which all of the component parts are GEM products.