

January 25, 2013

**VIA E-MAIL**

Ms. Melissa Jurgens  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**Re: Rule 40.6(a) Self Certification of the Delisting of CME Softwood Pulp Futures and  
Options on Futures  
CME Submission No. 13-022**

Dear Ms. Jurgens:

The Chicago Mercantile Exchange Inc. ("CME" or "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is self-certifying the permanent halt in listing contract months for Softwood Pulp futures and options on futures, effective close of business, Friday, January 25, 2013. The Commission had previously been notified of a temporary delisting and halt in listing additional contract months (see CME submission #11-311 dated August 10, 2011). The last contract month listed was the December 2012 contract month which expired on December 24, 2012.

CME business staff responsible for the listing of contract months in these contracts and the CME legal department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("Act"). During the review, CME staff identified that the delisting of contract months may have some bearing on the following Core Principle:

- Emergency Authority: No contract months are currently listed and therefore, there will be no market disruption related to their permanent halt in listing.

As a result of the permanent halt in listing, CME Rule chapters 203 and 203A will be deleted from the CME Rulebook while the Position Limit table at the end of CME Chapter 5 and CME Rule 588.H will be amended to delete references to Softwood Pulp futures and options on futures. These revisions are attached as Appendix A.

Pursuant to Section 5c(c) of the Act and CFTC Rule 40.6(a), the Exchange hereby certifies that the delisting of contract months complies with the Act, including regulations under the Act. There were no substantive opposing views to this proposal.

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

Should you have any questions concerning the above, please contact the undersigned at (312) 930-8167 or [Sean.Downey@cmegroup.com](mailto:Sean.Downey@cmegroup.com).

Sincerely,

/s/Sean M. Downey  
Director and Assistant General Counsel

Attachment: Appendix A

## APPENDIX A

(Deletions overstruck)

### Chapter 203

#### Northern Bleached Softwood Kraft Pulp-Europe Futures

##### ~~20300. SCOPE OF CHAPTER~~

~~This chapter is limited in application to Northern Bleached Softwood Kraft Pulp-Europe futures. In addition to this chapter, Northern Bleached Softwood Kraft Pulp-Europe futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.~~

~~For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Chicago time.~~

##### ~~20301. COMMODITY SPECIFICATIONS~~

~~Each futures contract shall be valued at 20 metric tonnes times the FOEX Indexes Ltd. PIX NBSKP Europe Index monthly average per tonne.~~

##### ~~20302. FUTURES CALL~~

###### ~~A. Trading Schedule~~

~~Futures contracts shall be scheduled for trading during such hours and for final settlement in such months as may be determined by the Exchange.~~

###### ~~B. Trading Unit~~

~~The unit of trading shall be 20 metric tonnes.~~

###### ~~C. Price Increments~~

~~Minimum price fluctuations shall be in multiples of \$.50 per tonne.~~

###### ~~D. Daily Price Limits~~

~~There shall be no trading at a price more than \$50 per tonne above or below the previous day's settlement price, except that there shall be no daily price limits in the expiring contract during the spot month.~~

###### ~~E. Position Limits, Exemptions, Position Accountability and Reportable Levels~~

~~The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.~~

~~A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.~~

~~Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.~~

###### ~~F. RESERVED~~

###### ~~G. RESERVED~~

###### ~~H. Termination of Trading~~

~~Trading shall terminate on the last Tuesday of the contract month. If that day is not a business day, then trading shall terminate on the preceding business day.~~

###### ~~I. RESERVED~~

##### ~~20303. SETTLEMENT PROCEDURES~~

###### ~~A. Final Settlement~~

~~There shall be no delivery of NBSKP in settlement of this contract. All contracts open as of the termination of trading shall be cash settled based upon the PIX NBSKP Europe Index monthly average for the calendar month corresponding to the contract month for which trading has terminated.~~

###### ~~20303.B. - H. [RESERVED]~~

###### ~~20304. - 07. [RESERVED]~~

###### ~~20308. [RESERVED]~~

~~(End Chapter 203)~~

#### ~~INTERPRETATIONS AND SPECIAL NOTICES~~

##### ~~RELATING TO CHAPTER 203~~

#### ~~LIMITATION OF LIABILITY AND DISCLAIMER~~

~~FOEX Indexes Ltd. grants the Exchange the rights to use the PIX BHKP Europe Index (Index) in connection with~~

the trading of futures contracts and options on futures contracts based upon such Index. FOEX Indexes Ltd. makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the data in connection with the trading of futures contracts, options on futures contracts or any other use. FOEX Indexes Ltd. makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Index. Without limiting any of the foregoing, in no event shall FOEX Indexes Ltd. have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

## **Chapter 203A**

### **Options On Northern Bleached Softwood Kraft Pulp-Europe Futures**

#### **203A00. SCOPE OF CHAPTER**

This chapter is limited in application to options on Northern Bleached Softwood Kraft Pulp-Europe futures. In addition to this chapter, options on Northern Bleached Softwood Kraft Pulp-Europe futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Chicago time.

#### **203A01. OPTION CHARACTERISTICS**

##### **A. Contract Months and Trading Hours**

Options contracts shall be listed for such contract months and scheduled for trading during such hours as may be determined by the Exchange.

##### **B. Trading Unit**

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one Northern Bleached Softwood Kraft Pulp-Europe futures contract as specified in Chapter 203.

##### **C. Minimum Fluctuations**

The price of an option shall be quoted in dollars per metric tonne. Minimum price fluctuations shall be in multiples of \$.50 per tonne. A trade may also occur at a price of \$.25 per tonne, whether or not it results in the liquidation of positions for both parties to the trade.

##### **D. Underlying Futures Contract**

The underlying futures contract is the futures contract for the month in which the option expires. For example, the underlying futures contract for an option that expires in January is the January futures contract.

##### **E. Exercise Prices**

The exercise prices shall be stated in terms of dollars per metric tonne at intervals of \$5, e.g., \$470, \$475, \$480, etc.

At the commencement of option trading in a contract month, the Exchange shall list put and call options in a range of \$100 above and below the previous day's settlement price of the underlying futures contract.

When a sale, bid or offer in the underlying futures contract occurs at, or passes through, an exercise price, put and call option contracts at the next higher (or lower) exercise price in a \$100 range shall commence trading on the next trading day. New options may be listed for trading up to and including the termination of trading.

The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate, subject to the provisions of Section 5a(12) of the Commodity Exchange Act and CFTC regulations thereunder.

The Exchange may modify the procedure for the introduction of strike prices as it deems appropriate in order to respond to market conditions.

##### **F. Position Limits**

##### **G. Reserved**

##### **H. Reserved**

##### **I. Termination of Trading**

Options trading shall terminate on the same date and time as the underlying futures contract

##### **J. Reserved**

#### **203A02. EXERCISE**

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of Northern Bleached Softwood Kraft Pulp-Europe options.

##### **A. Exercise of Option by Buyer**

An option may be exercised by the buyer on any business day the option is traded. To exercise an option, the clearing member representing the buyer shall present an exercise notice to the Clearing House by 7:00 p.m. on the day of exercise.

An option that is in the money and has not been liquidated or exercised prior to the termination of trading shall, in the absence of contrary instructions delivered to the Clearing House by 7 p.m. on the day of final

settlement by the clearing member representing the option buyer, be exercised automatically.

#### **B. Assignment**

Exercise Notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an Exercise Notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes prior to the opening of trading in the underlying futures contract on the following business day.

The clearing member assigned an Exercise Notice shall be assigned a short position in the underlying futures contract if a call was exercised or a long position if a put was exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call was exercised and a short position if a put was exercised.

All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the trading day following acceptance by the Clearing House of the Exercise Notice.

#### **203A03. RESERVED**

(End Chapter 203A)

#### **INTERPRETATIONS AND SPECIAL NOTICES**

##### **RELATING TO CHAPTER 203A**

##### **LIMITATION OF LIABILITY AND DISCLAIMER**

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Amendment to CME POSITION LIMIT, POSITION ACCOUNTABILITY AND REPORTABLE LEVEL TABLE in pertinent section at the end of Chapter 5, as follows (deletions overstruck):

CONTRACT NAME	OPTIONS	FIRST SCALE-DOWN SPOT MONTH	SECOND SCALE-DOWN SPOT MONTH	SPOT MONTH	SINGLE MONTH	ALL MONTHS COMBINED	POSITION ACCOUNT-ABILITY	REPORT-ABLE FUTURES LEVEL	REPORT-ABLE OPTIONS LEVEL
CME commodities									
Northern Bleached Softwood Kraft Pulp	Y				*1,000			25	25
Cheese	Y			*500	*1,000			25	25

\*Net futures equivalents (NFE) long or short

Amendment to CME Rule 588.H Globex Non-Reviewable Trading Ranges (deletions overstruck)

Instrument	Non-Reviewable Range (NRR) in Globex Format	Futures	
		NRR including Unit of Measure	NRR ticks
	Agriculture including Kansas City Board of Trade and MGEX		
<b>Forestry (CME)</b>			
Random Length Lumber Futures	400	\$4.00 per 1,000 board feet	40
Softwood Pulp Futures	15.0	\$15.00 per metric tonne	30