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May 31, 2011

Mr. David Stawick

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

**RE: CME Group Market Regulation Advisory Notice RA1101-5
CME/CBOT/NYMEX/COMEX Submission #11-214**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME"), The Board of Trade of the City of Chicago, Inc. ("CBOT"), The New York Mercantile Exchange, Inc. ("NYMEX") and Commodity Exchange, Inc. ("COMEX") (collectively, the "Exchanges") hereby notify the Commission that they will adopt amendments to Rule 770 ("Delivery Offset Procedures") to eliminate the requirement that an account owner agreeing to facilitate an offset pursuant to the rule have an open position in the contract. The change will allow any account with different beneficial ownership to agree to the offset request. Additionally, the rule has been modified to ensure that it more accurately reflects the procedures employed by the Clearing House when handling such offset requests.

Revised Rule 770 permits a clearing member who carries an account with an open position in a physically delivered contract month that has expired to request to offset the position against an opposite account through a trade transfer in the event the position results from an error, omission or outtrade. The request must be made to the Clearing House, and in the event that the Clearing House does not receive acceptance of the trade transfer from an account with different beneficial ownership, the Rule requires delivery to take place as required under Exchange rules. The delivery offset process is intended as a safeguard against delivery defaults where positions in physically delivered contracts result from errors, outtrades or omissions identified after expiration of the contract.

The revisions to Rule 770 appear below, with additions underscored and deletions overstruck, and will become effective on June 2, 2011. The Exchanges certify that the revisions comply with the Act and regulations thereunder. There were no substantive opposing views to this proposal.

770. DELIVERY OFFSET PROCEDURES

A member or clearing member who, as the result of an error, omission in the execution of an order or an outtrade discovered on or after the last day of trading, carries has a position in a contract which has expired and for which the position holder who is unable to fulfill the obligation obligated either to make or take physical delivery in that contract, may, with the consent of the account owner(s) or controller(s), request to offset such position against an opposite position held by an account with different beneficial ownership through of a member or clearing member whether or

~~not such position exists as a result of an error or outtrade trade transfer; provided, however, that the parties to any such error or outtrade must~~shall exercise the utmost diligence to resolve the error or outtrade.

~~Delivery offset requests must be made to t~~The Clearing House, ~~shall accept such request, up to the full quantity of the initial request, upon receiving offset~~ Trade transfers pursuant to this Rule require that the Clearing House ~~receive acceptance from an account(s) with different beneficial ownership and confirmation of the agreed upon transfer by the party initiating the request. Such confirmation must be submitted in writing on the form specified by t~~The Clearing House ~~shall randomly assign available offsetting positions to each member or clearing member submitting a request, thereby extinguishing each party's obligation to make or take physical delivery; provided, however, that in the event the Clearing House is unable to assign offsetting positions due to an insufficient number of available offsetting positions, delivery shall take place as required under Exchange rules. All positions transferred~~offset pursuant to this Rule shall ~~take place~~be liquidated at the final settlement price of the contract.

~~A c~~Clearing member firms representing accounts that have transferred a trade pursuant to this Rule must correctly ~~report the change in open interest to~~desiring to offset such positions must notify the Clearing House by reporting its final open interest and submitting a request in accordance with ~~pursuant to~~ the schedule established by the Exchange.

~~In the event a delivery offset request does not result in a trade transfer, delivery shall take place as required under Exchange rules.~~

~~Nothing in this Rule relieves a clearing member of its responsibilities with respect to open positions in an expiring contract month in a physically delivered contract as set forth in Rule 716.~~

~~The assignment of offsetting positions shall release clearing members and the Exchange from their respective obligations under the contracts.~~

If you have any questions regarding the Advisory Notice, please contact Anthony DiBenedetto, Clearing, at 212.299.2152 or via email at Anthony.DiBenedetto@cmegroup.com or Robert Sniegowski, Market Regulation, at 312.341.5991 or via email at Robert.Sniegowski@cmegroup.com. Alternatively, you may contact me at 312.930.8167 or via email at Sean.Downey@cmegroup.com. Please reference CME/CBOT/NYMEX/COMEX Submission #11-214 in any related correspondence.

Sincerely,

/s/ Sean Downey
Associate Director & Assistant General Counsel