



July 28, 2011

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

**Re: Regulation §40.6. Amendment of CME Lumber Futures - Rule 20102.D.  
CME Submission No. 11-299.**

Dear Mr. Stawick,

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commodity Futures Trading Commission of an amendment to CME Random Length Lumber Futures Rule 20102.D. ("Daily Price Limits") that will be effective for all contract months on Monday, August 15, 2011. The text of the amendment is attached.

The lumber futures contract allows for the expansion of daily price limits if settlement prices for the nearby contract month are limit bid or limit offer for two consecutive days. At present, only trading activity in open outcry is considered for settlement. The procedure for determining lumber futures settlement prices will be modified soon to incorporate relevant bid-offer and trade prices from both the open outcry and electronic trading venues. With the new settlement method, an issue may arise concerning the expansion of daily limits when one of the venues is at limit bid or offer and the other is not. The Exchange has determined that the best policy is that either venue could independently meet the expansion requirement. For example, a limit bid in electronic trading on the first day and a limit bid in open outcry on the second day would invoke expanded limits. In 2011, expanded limits have been invoked only once under the current rule. There would have been no additional instances of expanded price limits under the amended rule. There were no substantive opposing views.

CME certifies that this action complies with the Commodity Exchange Act and regulations thereunder. There were no substantive opposing views to this proposal.

If you require any additional information regarding this action, please do not hesitate to contact Jack Cook at 312-930-3295 or via e-mail at [jack.cook@cmegroup.com](mailto:jack.cook@cmegroup.com). Alternatively, you may contact me at 212-299-2207 or via e-mail at [Felix.Khalatnikov@cmegroup.com](mailto:Felix.Khalatnikov@cmegroup.com). Please reference CME Submission No. 11-299 in any related correspondence.

Sincerely,

/s/ Felix Khalatnikov  
Director & Associate General Counsel

(deletions overstruck and additions underlined):

## **20102. RANDOM LENGTH LUMBER FUTURES CALL**

### **D. Daily Price Limits**

There shall be no price limit in the spot month.

There shall be a daily price limit of \$10.00 per thousand board feet above or below the previous day's settlement price.

If the contract nearest to expiration that is subject to a daily limit is quoted at the limit bid or limit offer as the last price in the designated settlement period, without regard to CME trading venue, settles on the limit bid for two successive days or on the limit offer for two successive days, then the price limit shall be raised to \$15.00 per thousand board feet for all contracts subject to a daily limit.

Unless ~~If~~ the contract nearest to expiration that is subject to a daily price limit of \$15.00 is quoted at the limit bid or limit offer as the last price in the designated settlement period, without regard to CME trading venue does not settle at a limit bid or limit offer, and without regard to market direction, the price limits shall revert to \$10.00 per thousand board feet on the next business day.