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OFFICE OF THE SECRETARIAT

November 26, 2008

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

RE: **CME & CBOT Market Regulation Advisory Notice RA0819-3**
CME & CBOT Submission No. 08-197

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME") and Chicago Board of Trade ("CBOT") hereby notify the Commission that they will issue the following Market Regulation Advisory Notice on December 2, 2008: CME & CBOT RA0819-3 ("Concurrent Long and Short Positions"). The Advisory Notice is an updated version of CME & CBOT Advisory Notice RA0813-3 from June 27, 2008. The Advisory Notice is being reissued based on a recent change to CME & CBOT Rule 854 ("Concurrent Long and Short Positions") which clarified that concurrent long and short positions in physically delivered contracts held by the same owner may be transferred for offset during the delivery month provided that the trade date of the position being transferred is the same as the transfer date.

CME and CBOT certify that these changes comply with the Act and regulations thereunder.

If you have any questions regarding these changes, please contact Robert Sniegowski, Associate Director, Market Regulation, at 312.341.5991 or me at 312.648.5422. Please reference CME & CBOT Submission #08-197 in any related correspondence.

Sincerely,

/s/ Stephen M. Szarmack
Director and Associate General Counsel

MARKET REGULATION ADVISORY NOTICE

Exchange	CME & CBOT
Subject	Concurrent Long and Short Positions
Rule References	Rule 854
Advisory Date	December 2, 2008
Advisory Number	CME & CBOT RA0819-3

This Advisory Notice supersedes Market Regulation Advisory Notice RA0813-3 from June 27, 2008, and is being reissued based on a recent change to Rule 854 which clarified that concurrent long and short positions in physically delivered contracts held by the same owner may be transferred for offset during the delivery month provided that the trade date of the position being transferred is the same as the transfer date.

Under Rule 854 ("Concurrent Long and Short Positions") concurrent long and short positions held by the same owner in non-deliverable products or in deliverable products outside the delivery period may be offset via netting, transfer or adjustment.

For physically delivered contracts during the delivery month and two business days prior to the delivery month, concurrent long and short positions may be offset via netting, transfer or adjustment only if:

1. the trade date of the position being transferred is the same as the transfer date, or
2. the offset is to correct a bona fide clerical or operational error and the quantity of the offset does not represent more than one percent of the reported open interest in the contract; such offsets must also be made on the day that the error is identified.

The text of Rule 854 is presented below.

854. CONCURRENT LONG AND SHORT POSITIONS

Set forth below are the procedures that must be followed for concurrent long and short positions and hold-open accounts.

- A. Concurrent long and short positions in the same commodity and month may be held by a clearing member at the direction of a customer or on behalf of an omnibus account; however it shall be the duty of the clearing member to ascertain whether such positions are intended for offset or to be held open prior to final transmission of position data to the Clearing House.
- B. Concurrent long and short positions in physically delivered contracts that are held by the same owner during the delivery month and two business days prior to the delivery month must be offset by transactions executed in the market, by allowable privately negotiated transactions, or fulfilled through the normal delivery process, provided however that trades may be transferred for offset if the trade date of the position being transferred is the same as the transfer date. Such positions may not be offset via netting, transfer, or position adjustment except to correct a bona fide clerical or operational error on the day the error is identified and provided that the quantity of the offset does not represent more than one percent of the reported open interest in the affected futures contract month.

- C. Clearing members which, pursuant to this rule, carry concurrent long and short positions, must report to the Exchange both sides as open positions. When either side or both sides are reduced in accordance with Section B. of this rule, the open positions as reported to the Exchange must be reduced accordingly.
- D. The Exchange takes no position regarding the internal bookkeeping procedures of its clearing members which, for the convenience of a customer, may "hold open" a position only on their books. However, the clearing member must accurately report to the Exchange and the Clearing House, as appropriate, large trader positions, long positions eligible for delivery and open interest.

Questions regarding this Advisory Notice may be directed to the following individuals in Market Regulation:

Joe Hawrysz, Director, Market Surveillance, 312.341.7750

Jerry O'Connor, Associate Director, Market Surveillance, 312.341.7048