



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

June 10, 2014

**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: Modifications to the Weather Futures Market Maker Program  
CME Submission No. 14-235**

Dear Ms. Jurgens:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") of plans to modify the existing Market Making Program for certain Weather contracts ("Program"). The modifications to the Program will become effective on July 1, 2014.

Exhibit 1 sets forth the terms of this Program. The modifications appear below, with additions underscored and deletions ~~overstruck~~.

The Exchange reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, CME staff identified the following Core Principles as potentially being impacted; Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants, Compliance with Rules and Recordkeeping.

The Program does not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA and the Exchange's market regulation staff will monitor all market participants that trade the Program's products to prevent manipulative trading and market abuse. Additionally, the Exchange has implemented systems to track Program participants' obligations to ensure proper distribution of earned incentives. The products included in this Program are listed for trading in the open and competitive market. Participants in the Program will be selected by Exchange staff using criteria as further stated in Exhibit 1. Chapter 4 of the Exchange rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute a contractual agreement with the Exchange in which each participant will expressly agree to comply with and be subject to, applicable regulations and Exchange rules. The Program is subject to the Exchange's record retention policies which comply with the CEA.

The Exchange certifies that the Program complies with the CEA and the regulations thereunder. There were no substantive opposing views to this Program.

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>.

If you require any additional information regarding this submission, please contact Tim Elliott at 312-466-7478 or via e-mail at [tim.elliott@cmegroup.com](mailto:tim.elliott@cmegroup.com), or contact me at 212-299-2200. Please reference our CME Submission No. 14-235 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

# EXHIBIT 1

## WEATHER FUTURES MARKET MAKER PROGRAM

### Program Purpose

The purpose of the Program is to incent market makers to enhance liquidity in the products listed below. A more liquid contract benefits all participants in the market.

### Product Scope

CME ~~Temperature-Based Weather Futures and Seasonal Strip Futures~~ (“Products”).

### Eligible Participants

All CME Members and Non-Members may participate in the Program. Up to five (5) participants may be admitted to the Program. When determining whether to select a potential participant, CME staff will review a participant’s experience trading Weather products, the participant’s historical volumes as well as past performance and participation in other CBOT and CME Market Maker Programs. Notwithstanding the forgoing, the Exchange may, from time to time, add to or subtract from the factors listed above as it deems necessary.

### Program Term

Start date is February 25, 2006. End date is ~~June 30, 2014~~ June 30, 2015.

### Hours

RTH and/or ETH

### Obligations

Quoting Requirements. Participants will be required to post continuous bids and offers in designated contract markets of the Products on Globex with contracted maximum bid-ask spreads and minimum quote sizes the Products during ETH and/or RTH beginning on October 1, 2014.

### Program Incentives

Participants will receive the Program incentives described below during the start-up period of the Program from July 1, 2014 through October 1, 2014. After October 1, 2014, upon completing all obligations as determined by CME, participants shall be entitled to fee waivers for all Globex execution fees for Weather Futures, CME clearing fees for Weather Futures and Options, ex-pit surcharges, position transfer fees, Globex line charges and related Globex costs for the Products that are traded by participants.

### **Monitoring and Termination of Status**

The Exchange shall retain the right to revoke Program participant status if it concludes from review that a Program participant no longer meets the eligibility requirements or fails to meet the obligations of the Program.