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C.F.T.C.

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Chief Executive Officer

2004 OCT -1 AM 8:33

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RECORDS SECTION

October 1, 2004

VIA ELECTRONIC DELIVERY

Ms. Jean A. Webb
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

COMMENT

2004 SEP 30 PM 3:43
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Re: Application Procedures; 69 Fed. Reg. 53367 (September 1, 2004)

Dear Ms. Webb:

The Chicago Mercantile Exchange Inc. ("CME") welcomes the opportunity to comment upon the Commodity Futures Trading Commission's (the "Commission") proposal to revise the application and review procedures for registration as a Designated Contract Market ("DCM") or Derivatives Transaction Execution Facility ("DTEF").

In the release, the Commission seeks to eliminate the presumption of an automatic fast-track review of DCM and DTEF applications and replace it with a presumption that all applications will be reviewed pursuant to the statutory 180-day timeframe. Applicants would be permitted to ask the Commission to expedite review of the application and render a decision within 90 days (rather than the previous 60-day fast-track review period), but Commission staff would have the authority to terminate the expedited review period if the application's form and substance does not meet the requirements of Part 37 or 38, the application is "materially incomplete," undergoes "major amendment" or "raises novel or complex issues." The Commission further proposes to require applicants to submit more detailed information as part of the application, including a requirement that applicants identify and explain all novel issues, submit a manual that explains the manner in which the applicant will conduct trade practice, market and financial surveillance, and submit an "executed or executable copy" of any agreement entered into or to be entered into by the applicant, including any third-party regulatory service agreements or other outsourcing agreements.

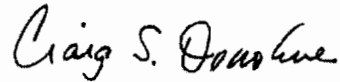
CME strongly supports the Commission's proposed revisions and commends the Commission for taking such steps. We believe that the proposed revisions will positively impact the futures markets by ensuring that the Commission—and interested

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parties—not only have access to all relevant information, but ample opportunity to consider the implications of complex or novel issues. At the same time, the proposed rules will provide clarity to the exchange registration process, while ensuring that the review process is governed by prudence—not alacrity. The integrity of the futures markets deserves nothing less.

Thank you for the opportunity to comment on the proposed rule amendments. If you have any questions or comments, please do not hesitate to contact me or Matthew F. Kluchenek, Director and Associate General Counsel, at (312) 338-2861.

Sincerely,

A handwritten signature in cursive script that reads "Craig S. Donohue".

Craig S. Donohue