



New York Mercantile Exchange

NYMEX/COMEX. Two divisions, one marketplace

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Ms. Eileen Donovan
Acting Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, N.W.
Washington, D.C. 20581.

Re: Public Hearing on What Constitutes a Board of Trade Located Outside of the U.S.

The New York Mercantile Exchange, Inc. (NYMEX or Exchange) requests the appearance of Exchange President Dr. James E. Newsome at the public hearing on what constitutes a "board of trade, exchange or market located outside the United States" being held on June 27, 2006, by the Commodity Futures Trading Commission (CFTC).

Dr. Newsome, a former chairman of the CFTC, has been president of NYMEX since August 2004. A concise statement of Dr. Newsome's interest and qualifications follows, along with a brief summary of his statement.

Statement of Interest

As president of NYMEX, Dr. Newsome represents the world's largest forum for trading and clearing physical commodity-based futures contracts, including energy and metals products. NYMEX has a 133-year history as a reliable price-discovery and risk management trading forum. NYMEX, a global market place with an expanding international business model, provides the benchmark for energy and metals prices around the world. It is regulated at the highest level of oversight by the CFTC as a designated contract market (DCM). NYMEX welcomes competition, but fears that differences in regulatory regimes have lead to unforeseen opportunities for regulatory arbitrage and raised fundamental policy questions that should be addressed.

Qualifications

Dr. James E. Newsome has been president of the NYMEX since August 2004. Prior to that, he served as Chairman of the CFTC from December 2001 to August 2004. He was a Commissioner of the CFTC from August 1998. During his CFTC tenure, Dr. Newsome served as Chairman of both the Technology and the Agricultural Advisory Committees.

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The New York Mercantile Exchange, Inc., is composed of two divisions. The NYMEX Division offers trading in crude oil, heating oil, unleaded gasoline, natural gas, electricity, propane, platinum and palladium. The COMEX Division offers trading in gold, silver, copper, aluminum, and the FTSE Eurotop 100[®] index, and the FTSE Eurotop 300[®] index.

In addition to his responsibilities at the CFTC, Dr. Newsome served as a member of the President's Working Group on Financial Markets, along with the Secretary of the Treasury, the Chairman of the Federal Reserve Board, and the Chairman of the Securities and Exchange Commission. He also was appointed to serve on the President's Corporate Fraud Task Force to coordinate corporate fraud investigations.

Dr. Newsome received his Bachelor of Science degree in food and resource economics from the University of Florida and his Masters of Science and Doctorate of Philosophy degrees from Mississippi State University.

Summary of Dr. Newsome's Statement

In his statement for the CFTC's public hearing on what constitutes a foreign board of trade, Mr Newsome will address:

- NYMEX's strong support for increased competition and the ongoing globalization of derivatives markets, as well as our belief that where possible regulation should not impede expansion of markets and competitors.
- NYMEX's support for the staff no-action process, which has worked successfully in most instances, and our concern that the staff no-action letters unwittingly may have provided an unfair competitive advantage to foreign markets as a result of an unlevel regulatory playing field.
- NYMEX's view that, as a policy matter, the Commodity Exchange Act carve-out for exchanges "located outside of U.S." is not a mechanical geographical test but instead must be applied in relation to the relevant regulatory policy concerns that may require a market to be regulated by the CFTC.

In closing, NYMEX requests that Dr. Newsome be given the opportunity to participate in this public hearing.

Sincerely,



Christopher K. Bowen
General Counsel and
Chief Administrative Officer

cc: David Van Wagner