

November 1, 2004

Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, NW  
Washington, DC 20581

**BY E-MAIL AND FACSIMILE**

**SUBJECT: Request for Commission Rule Approval: Proposed Amendments to Supplement No. 1, "Official List of Approved Brands and Markings" of the Grade 1 Copper Futures Contract. Submission No. 04-150.**

Dear Ms. Webb:

Pursuant to Section 5c(c)(2) of the Commodity Exchange Act (the "Act") and CFTC Rule 40.5 ("Voluntary Submission of Rules for Commission Review and Approval"), the New York Mercantile Exchange Inc. ("NYMEX" or the "Exchange") hereby requests on a voluntary basis CFTC approval for proposed amendments to Supplement No. 1, "Official List of Approved Brands and Markings" of the Grade 1 Copper Futures Contract.

The proposed amendments and a complete explanation of its operation, purpose and effect are attached hereto.

If you have any questions concerning this submission, please contact Albert J. Getz at 212-299-2608.

Sincerely,

Robert A. Levin  
Senior Vice President

cc: Richard Shilts, Division of Market Oversight  
Allen Cooper, Eastern Region

## **I. EXPLANATION AND PURPOSE**

The Exchange proposes to amend COMEX Copper Supplement No. 1 "Official List of Approved Brands and Markings" by (1) adding the Noranda Inc. copper brand "NORANDA" as acceptable for good delivery against the COMEX Grade 1 Copper Futures Contract and (2) delisting the "CCR" copper brand produced by Noranda Metallurgy Inc.

### **BACKGROUND**

Noranda Inc. is a fully integrated producer of copper metal and concentrate. Its copper business is comprised mostly of long-life, low-cost mines located primarily in South America. They include Noranda's interest in the Antamina copper and zinc mine in Peru, the Collahuasi and Lomas Bayas mines in Chile and the Kidd Creek mine in Canada. In addition to these mines, the operations include the Altonorte copper smelter in Chile, as well as refining and recycling facilities in Canada and the United States. During 2003, Noranda's copper business produced 436,000 metric tons of copper cathodes and 219,000 metric tons of copper in concentrates.

Noranda's copper refinery, CCR, is an integral part of Noranda's Canadian Copper Recycling Group and is located in Montreal, Quebec, Canada. The copper refinery has been in production since 1931 and its cathodes are registered as acceptable for delivery on the Exchange under the "CCR" brand. In the late 1990's, the refinery underwent a three-year modernization program and converted the tankhouse from conventional electrolytic copper production to the Kidd Creek process, which uses stainless steel cathode technology. This modernization was completed in 2000. The new cathode brand "NORANDA" replaces the old Noranda brand "CCR". Cathodes produced from this technology are 36.9 inches in length, 37.4 inches in width and weigh approximately 187 pounds. The cathodes are stacked in bundles weighing between 6,800 and 7,700 pounds. The top cathode of each bundle is identified by the production lot, bundle weight and bundle number of the production lot. Every third cathode in the bundle is corrugated in order to improve the melting characteristics of the bundle. Each bundle is secured by two one-inch wide steel straps secured by banding clips.

The annual capacity of the CCR refinery is 350,000 metric tones of cathodes and during 2003 the CCR refinery produced 235,425 metric tons. The primary sources of raw materials for the refinery are the Horne smelter located in Noranda, Canada and the Altonorte smelter located near Antofagasta, Chile.

Noranda Inc.-CCR in Montreal East, Quebec, Canada is ISO 9001 Certified. This certifies the quality management system of Noranda Inc. and is applicable to the refining of copper and precious metals and recovery of other related products.

The Exchange has verified that there are no copper cathodes bearing the "CCR" brand in Exchange Licensed Warehouses, therefore this brand, since it is no longer produced, will be delisted.

### **APPLICATION REQUIREMENTS**

The application for listing Grade 1 Copper Brands as good delivery against the COMEX Division Grade 1 Copper Futures Contract stipulates that the copper brand must be in continuous production for a minimum of six months at the rated plant capacity. The minimum level of production required is 10,000 short tons per year. The application also requires letters from three mutually acceptable copper rod manufacturers affirming that they have purchased and tested the brand and that the brand is now acceptable for use in the manufacture of rod at their plant, and detailed assays from two mutually acceptable independent assayers.