

May 23, 2005

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

BY E-MAIL AND FASCIMILE

SUBJECT: Request for Commission Rule Approval: Proposed Amendments to Supplement No. 2, “Licensed Warehouses for Copper” and Supplement No. 3, “Licensed Weighmasters for Copper” of the Grade 1 Copper Futures Contract and a proposed amendment to Supplement No. 2, “List of Licensed Warehouses and Weighmasters” of the Aluminum Futures Contract. Submission No. 05-88.

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. 2, “Licensed Warehouses for Copper” and Supplement No. 3, “Licensed Weighmasters for Copper” of the Grade 1 Copper Futures Contract and a proposed amendment to Supplement No. 2, “List of Licensed Warehouses and Weighmasters” of the Aluminum Futures Contract.

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

If you have any questions concerning this submission, please contact the undersigned at 212-299-2390 or 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 Supplement No. 2, “Licensed Warehouses for Copper” and Supplement No. 3, “Licensed Weighmasters for Copper” of the Grade 1 Copper Futures Contract and Supplement No. 2, “List of Licensed Warehouses and Weighmasters” of the Aluminum Futures Contract. The proposed amendments add MetalStore LLC (“MetalStore”) with a leased warehouse facility located at 3332 St. Lawrence Drive, Toledo, Ohio as an Exchange Licensed Warehouse and Exchange Licensed Weighmaster for copper and aluminum.

The warehouse facility is in the geographical region defined in the Aluminum Futures Contract.

BACKGROUND

MetalStore is a wholly owned subsidiary of MITSU Holdings LLC (“MITSU”). MetalStore’s sister company Metro International Trade Services LLC (“METRO”) operates warehouse facilities in various geographical locations as London Metal Exchange licensed warehouses. However, the Toledo, Ohio facility is not an approved delivery location for the London Metal Exchange. MITSU and its subsidiaries come highly recommended by numerous market participants who have used their services for the storage of both copper and aluminum. The company’s reputation has allowed it to gain industry support in favor of its application to become a Licensed Warehouse for the storage of aluminum and copper and as a Licensed Weighmaster for these metals.

MITSU through its subsidiaries has extensive experience in operating over 3 million square feet of warehouse space dedicated to non-ferrous metals for over ten years. METRO operates London Metal Exchange approved warehouse facilities in Detroit, MI, Long Beach, CA, and New Orleans, LA. Foreign warehouse locations include Hull in the United Kingdom, Trieste in Italy and Johor in Malaysia.

The application submitted by MetalStore for the leased facility meets all of the requirements of the Exchange for the handling and storage of metal. However, it has not met the weighing requirements. The company does not have the appropriate weighing equipment or the personnel trained in the weighing of aluminum or copper into contract units of 44,000 pounds and 25,000 pounds respectively. A condition precedent to the effective date of MetalStore becoming an Exchange Licensed Warehouse would be after the installation of the appropriate weighing equipment and the training of personnel to the satisfaction of the Exchange.

FACILITY AND MATERIAL HANDLING

The owner/operator of the warehouse facility is Midwest Terminals International of Toledo Inc. (“MTI”), which was formerly known as Toledo World Industries (“TWI”). MetalStore has executed a five year lease agreement with MTI, which on each one year anniversary of the agreement will be automatically extended for an additional year unless written notification has been given to deny such extension. Under the terms of the Lease Agreement between MetalStore and MTI, MTI is responsible for all warehouse operations including but not limited to the handling and storage of aluminum and copper, inventory control, security and appropriate General Liability, Warehouseman’s Legal Liability and Casualty insurance. All of the physical operations including the issuing of documentation will be under the direct supervision of MetalStore.

This facility had been approved as a delivery point for the London Metal Exchange up until this geographical location was delisted by the London Metal Exchange on January 4, 2002. The operators of this facility have extensive experience in the handling and storage of aluminum as well as other commodities. Market participants currently use this facility for the storage of aluminum and zinc. However, the facility is not solely dedicated to the storage of copper and aluminum since it is a public warehouse and therefore handles other product.

Indoor Storage: Indoor storage consists of a 338,000 square foot building constructed of concrete with metal siding. The roof is asphalt and rubber membrane, while the floor is concrete and asphalt with a load bearing capacity of 3,000 pounds per square foot. The floor bearing capacity is more than sufficient for the storage of aluminum and copper. The indoor storage capacity is approximately 30,000 tons of copper or approximately 2,400 contract units.

Outdoor Storage: The outdoor storage areas have bases consisting of concrete, blacktop and hardpack is approximately 389,000 square feet and can store approximately 98,000 tons of aluminum or approximately 4,400 contract units.

Security: The Port of Toledo, where Midwest Terminals International of Toledo Inc. is located, is a secure facility served by a system of fences, gates, and camera monitoring systems. The alarm systems are monitored by Guardian Alarm Central Center who then notify the police, fire department and warehouse senior staff in the event of a security incident. All warehouse doors are alarmed and the water sprinkler system is located on the ceiling. The facility is manned during normal business hours. The facility also employs motion detector systems, security patrols and floodlights.

Material Handling: The primary warehouse building has sixteen truck docks, which can handle both flatbed and van trucks. There are nine rail doors. CSX services the facility and notifies the warehouse one-day in advance as to the number of rail cars, which will be delivered the following day. Positioning of the railcars by CSX or the number of switches does not pose a problem since MTI has its own rail engine, which is used to position rail cars for loading and unloading. However, the number of rail cars and the number of rail switches available is subject to the sole discretion of CSX and not the warehouse operator.

There are eleven fork trucks on site with capacities ranging from 5,000 pounds up to 10,000 pounds and MTI has the ability to draw on equipment on an as needed basis with capacities up to 15,000 pounds.

The port with over one-mile of waterfront has five berths with six cranes, which are capable of handling five 730-foot vessels, which are the largest on the Great Lakes.

Guaranteed Minimum Shipping Capacity: MetalStore has guaranteed that the minimum tonnage of copper that will be shipped on a daily basis from the facility is 500 short tons.

INSPECTION

Exchange staff visited and inspected the proposed facilities and determined that they are suitable for the storage of copper and aluminum. Staff was impressed with the knowledge and operating history of the warehouse personnel.

INSURANCE

MetalStore has indicated that it will participate in the insurance program arranged by the Exchange through Marsh USA. This program provides insurance coverage up to \$225 million for any one warehouse and/or location. The warehouse pays the insurance premiums based on the value at risk at the end of each month directly to Marsh USA.

GUARANTEE

MITSI Holdings LLC, the parent of MetalStore, has guaranteed the performance of MetalStore in accordance with the Rules of the Exchange. Should MetalStore be unable to perform its responsibilities according to the Rules of the Exchange, MITSI Holdings LLC will ensure an orderly transition of MetalStore's operations and transfer metal for which a warrant has been issued to another Licensed Warehouse having ample space to store the metal. The format of the guarantee is acceptable to the Exchange's Legal Department.

CONDITIONS PRECEDENT

Conditions precedent to the effective date of MetalStore becoming an Exchange Licensed Warehouse would be the installation of the appropriate weighing equipment, the training of personnel to the satisfaction of the Exchange, and the execution of legal documentation acceptable to the Exchange.

II. PROPOSED AMENDMENTS

The proposed amendments are attached.

Proposed Amendments. Underlining indicates additions; Strike through indicates deletions.

Copper Supplement
No. 2

COMMODITY EXCHANGE, INC.

LICENSED WAREHOUSES FOR COPPER

FACILITIES

COMPUTER CODE

STRATFORD, CONNECTICUT

William B. Meyer, Inc.----- P.O. Box 4206 Bridgeport, Conn. 06607 (Orders: (203) 375-5801)	Long Beach Boulevard Stratford, Conn.	2202
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CAMDEN, NEW JERSEY

South Jersey Port Corporation----- P.O. Box 129 Camden, NJ 08101 (Orders: (856)-757-4983)	Second & Beckett Streets Camden, NJ	2602
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BALTIMORE, MARYLAND

Edgemere Terminals, Inc.----- 8004 Stansbury Road Baltimore, Md. 21222 (Orders: (410) 282-4420)	8004 Stansbury Road Baltimore, Md.	3402
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Locust Industries Limited----- 4747 Hollins Ferry Road Baltimore, Md. 21227 (Orders: (410) 247-9520)	4747 Hollins Ferry Road Baltimore, Md.	3606
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Madison Warehouse Corporation----- 7330 Carbide Road Baltimore, Md. 21226 (Orders: (410) 360-2300)	7330 Carbide Road Baltimore, Md.	3204
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TOLEDO, OHIO

<u>MetalStore LLC-----</u> <u>3332 St. Lawrence Drive</u> <u>Toledo, Ohio 43605</u> <u>(Orders: (419) 698-3441)</u>	<u>3332 St. Lawrence Drive</u> <u>Toledo, Ohio</u>	<u>8101</u>
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Proposed Amendments. Underlining indicates additions; Strike through indicates deletions.

COMMODITY EXCHANGE, INC
LICENSED WAREHOUSES FOR COPPER
PAGE 2

FACILITIES

COMPUTER CODE

NEW ORLEANS, LOUISIANA

Hayes/Dockside, Inc.----- P.O. Box 53315 New Orleans, La. 70153 (Orders: (504) 897-5020)	7200 North Peters Street Arabi, La. 6025 River Road Marrero, La.	5206 5210
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AMARILLO, TEXAS

Dalby Moving & Storage Co., Inc.----- P.O. Box 78450 Tucson, Arizona 85703 (Orders: (520) 887-3606)	415 North Grand Avenue Amarillo, Texas	5606
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EL PASO, TEXAS

El Paso Terminal Warehouse, Inc.----- P.O. Box 9248 El Paso, Texas 79983 (Orders: (915) 772-2758)	5850 Welch Avenue, #1 El Paso, Texas 5850 Welch Avenue, #2 El Paso, Texas	5804 5806
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SALT LAKE CITY, UTAH

Utah Commodity Storage, Inc.----- 2724 Meadow Creek Court Park City, Utah 84060 (Orders: (435) 649-3333)	Building 661 1730 West I Avenue Tooele, Utah Building 670 210 North Loadstone Way Tooele, Utah	5708 5710
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COMMODITY EXCHANGE, INC.
LICENSED WAREHOUSES FOR COPPER
PAGE 3

	<u>FACILITIES</u>	<u>COMPUTER CODE</u>
<u>TUCSON, ARIZONA</u>		
Arizona Commodity Storage , Inc.---- 2724 Meadow Creek Court Park City, Utah 84060 (Orders: (435) 649-3333)	601 East 24th Street Tucson, Arizona 850 East Teton Tucson, Arizona 2004 S. Euclid Avenue Tucson, Arizona	5502 5506 5508
Southwest Commodity Warehouses, Inc.----- P.O. Box 78450 Tucson, Arizona 85703-8450 (Orders: (520) 887-3606)	4619 North Highway Drive Tucson, Arizona 1702 S. Euclid Tucson, Arizona 1 Jacobus Road San Manuel, Arizona	5902 5904 6202

COMMODITY EXCHANGE, INC.

LICENSED WEIGHMASTERS FOR COPPER

ALMETCO, INC.
P.O. Box 85
Nocona, Texas 76255
(Orders: (940) 825-6975)

INSPECTION SERVICES INC.
3342 S. Hunter Farm Way
West Valley City, Utah 84128
(Orders: (801) 205-9066)

INSPECTORATE GRIFFITH U.S.A., INC.
5050 Timbercreek
Houston, Texas 77017
(Orders:(713) 944-2000)

LAUCKS TESTING LABORATORIES, INC.
940 South Harney Street
Seattle, Wash. 98101
(Orders: (206) 767-5060)

LEDOUX & COMPANY
359 Alfred Avenue
Teaneck, N.J. 07666
(Orders: (201) 837-7160)

METALSTORE LLC
3332 St. Lawrence Drive
Toledo, Ohio 43605
(Orders: (419) 698-3441)

Proposed Amendments. Underlining indicates additions; Strike through indicates deletions.

COMMODITY EXCHANGE, INC.
LICENSED WEIGHMASTERS FOR COPPER
PAGE 2

R. MARKEY & SONS, INC.
5 Hanover Square, 12th Floor
New York, N.Y. 10004
(Orders: (212) 482-8600)

SGS Commercial Testing & Engineering Co.
Suite 210-B
1919 S. Highland Avenue
Lombard, Illinois 60148
(Orders: (630) 953-9300)

ALEX STEWART (ASSAYERS) INC.
472 Westfield Avenue
Clark, New Jersey 07066
(Orders: (732) 827-0656)

U.S. COMMODITY SERVICES
1610 North 9th Street
Tacoma, Wash. 98403
(Orders: (253) 272-1402)

J.W. WISNER INC.
7670 East Broadway
Suite 105
Tucson, Arizona 85710
(Orders: (520) 296-3666)

ERSA GLOBAL USA, Inc.
Suite 707, 16607 Blanco Road
San Antonio, TX 78232
(Orders: (210) 826-3302)

SOUTHWEST COMMODITY WAREHOUSES, INC.
P.O. Box 78450
Tucson, Arizona 85705

4619 North Highway Drive
Tucson, Arizona 85705
(Orders: (520) 887-3606)

Proposed Amendments. Underlining indicates additions; Strike through indicates deletions.

ALUMINUM SUPPLEMENT No. 2

LIST OF LICENSED WAREHOUSES AND WEIGHMASTERS

	<u>FACILITIES</u>	<u>COMPUTER CODE</u>
<u>KENTUCKY</u>		
Owensboro Riverport Authority P.O. Box 21955 Owensboro, Kentucky 42304 Phone: 270-926-4238 Facsimile: 270-683-3711	2300 Harbor Road Owensboro, Kentucky	2101
Kinder Morgan Bulk Terminals, Inc. Owensboro Gateway Terminal 7550 Terminal Road Maceo, Kentucky 42355 Phone: 270-264-1045 Facsimile: 270-264-1065	7550 Terminal Road Maceo, Kentucky	4101
R. J. Corman Distribution Centers, LLC 444 N. Hardison Road South Union, Kentucky 42283 Phone: 270-542-7300 Facsimile: 270-542-7363	444 N. Hardison Road South Union, Kentucky	3102
<u>TENNESSEE</u>		
R.J. Corman Distribution Centers, LLC 931 Alfred Thun Road Clarksville, Tennessee 37040 Phone: 270-542-7300 Facsimile: 270-542-7363	931 Alfred Thun Road Clarksville, Tennessee	3101
Cottonwood Distribution Services, Inc. 185 W. Industrial Avenue Memphis, Tennessee 38109 Phone: (901) 786-5000 Facsimile: (901) 786-5011	185 W. Industrial Avenue Memphis, Tennessee	5101

Proposed Amendments. Underlining indicates additions; Strike through indicates deletions.

ALUMINUM SUPPLEMENT No. 2

LIST OF LICENSED WAREHOUSES AND WEIGHMASTERS

<u>OHIO</u>	<u>FACILITIES</u>	<u>COMPUTER CODE</u>
<u>MetalStore LLC-----</u> <u>3332 St. Lawrence Drive</u> <u>Toledo, Ohio 43605</u> <u>Phone: (419) 698-3441</u>	<u>3332 St. Lawrence Drive</u> <u>Toledo, Ohio</u>	<u>8101</u>

III. EXCHANGE ACTION

The proposed amendments were approved by the NYMEX Board of Directors at a regularly scheduled meeting. No anti-competitive effects are anticipated or are apparent. There were no substantive opposing views concerning these amendments.

As the proposed amendments adding MetalStore LLC as an Exchange Licensed Warehouse and Weighmaster for the COMEX Division Grade 1 Copper Futures Contract affects a “Special Matter” under the COMEX By-Laws, notice was provided to the owners of COMEX Division Memberships who were provided with 10 days to submit a petition signed by owners of 155 COMEX Division Memberships requesting a vote of the COMEX Division to disapprove the amendments, pursuant to the procedures set forth under COMEX By-Law 205(D). No petitions were received.

While there are open positions in the Copper Futures Contract and the Aluminum Futures Contract, these amendments will not have an economic impact on positions or prices in the market.

The Exchange intends to implement the proposed amendments the latter of (1) the day after it receives notification of Commission approval or notification that such approval is not necessary or (2) the satisfaction of the conditions precedent discussed above.

In addition to the notification of the proposed amendment to add MetalStore LLC as an Exchange Licensed Warehouse and Weighmaster for Copper pursuant to COMEX By-Law 205(D), given April 8, 2005, the Membership was informed in a Notice to Membership dated May 23, 2005, that the Exchange intends to amend Supplement No. 2, “Licensed Warehouses for Copper” and Supplement No. 3, “Licensed Weighmasters for Copper” by adding the MetalStore LLC, Toledo, Ohio as an Exchange Licensed Warehouse and Weighmaster for Copper, pending notification from the Commission.

In a Notice to Members dated May 23, 2005 the Exchange notified the membership that it intends to amend Supplement No. 2, “List of Licensed Warehouses and Weighmasters” of the Aluminum Futures Contract by adding MetalStore LLC as an Exchange Licensed Warehouse and Weighmaster for Aluminum, pending notification from the Commission.