



World Financial Center
One North End Avenue
New York, New York 10282

BY ELECTRONIC TRANSMISSION

07-2

January 24, 2007

Ms. Eileen A. Donovan
Acting Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: **Electronic Trading Market Specialist Program –
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6**

Dear Ms. Donovan:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commission Regulation 40.6, the Board of Trade of the City of New York, Inc. (“Exchange”) submits, by written certification, its Electronic Trading Market Specialist Program.

Rule 2.39 authorizes the adoption of one or more Market Specialist Programs in which Market Specialists are appointed to maintain two-sided markets for NYBOT Commodity Contracts designated by the Board. In order to encourage liquidity in the electronic trading of NYBOT Commodity Contracts, the following Market Specialist Program is being implemented.

- (1) The Market Specialist will submit an application, attached as Exhibit A, specifying the bids and offers it, using its best efforts, will continuously maintain in the appropriate Designated Contracts for specified hours. Staff will determine which Applications should be accepted based on the bids and offers contained in the application and the applicant’s prior experience as a Market Specialist.
- (2) The Market Specialist will make and conduct all trading activity as a Market Specialist through a proprietary account which the Market Specialist will identify to appropriate Exchange personnel.
- (3) The term of the Program initially will be for a six (6) month period, which, at the Exchange’s election, may be extended.

- (4) For the six (6) month period, the Exchange will waive or rebate all Exchange transaction fees due and owing by the Market Specialist for all trades executed on the ICE electronic trading system in the Designated Contract(s) for the identified account.

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- (5) NYBOT will retain the right to revoke the Market Specialist's status if the Exchange concludes that the Market Specialist is not complying with its obligations.

The Exchange certifies that the Electronic Trading Market Specialist Program complies with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder.

The Market Specialist Program was approved by the Exchange's Board of Directors on January 24, 2007. No substantive opposing views were expressed by members or others with respect to the Program, which will be made effective on January 25, 2007 so that Market Specialists may be enrolled into the Program prior to the start of electronic trading.

If you have any questions or need further information, please contact me at (212)748-4084 or jfassler@nybot.com.

Sincerely,

Jill S. Fassler
Vice President
Associate General Counsel

cc: Riva Adriance
Thomas Leahy
Jane Croessman
CFTC, Division of Market Oversight
Allen Cooper
CFTC, New York Regional Office

EXHIBIT A

TO: Board of Trade of the City of New York, Inc.

This Application is submitted by _____ (“Market Specialist”) to become a Market Specialist for the Board of Trade of the City of New York, Inc. (“NYBOT”) in order to provide a liquid and orderly marketplace for the NYBOT Cocoa/Coffee “C”[®]/Cotton No. 2SM/FCOJ/Sugar No. 11SM/Sugar No. 14SM Futures Contracts traded on the ICE electronic trading system (the “Designated Contracts”).

The Market Specialist understands and agrees that:

1. It will execute all documents and agreements required by NYBOT in order that the Market Specialist is able to input orders into the ICE electronic trading system.
2. It will use its best efforts to continuously maintain in the appropriate Designated Contracts a current bid and offer as specified in Schedule A, which is attached and made a part of this Application, for the hours specified in Schedule A.
3. It will make and conduct all trading activity as a Market Specialist through the Market Specialist’s proprietary account which the Market Specialist will identify to appropriate NYBOT personnel.
4. For the first six (6) months from the Effective Date, NYBOT either will waive or rebate all Exchange transaction fees due and owing by the Market Specialist for all trades executed on the ICE electronic trading system in the Designated Contract(s) for the account identified in accordance with paragraph 3 above.
5. The term of this Agreement shall be for a six (6) month period, commencing on the Effective Date. NYBOT, in its sole discretion, may extend the term of the Agreement. The Market Specialist further acknowledges that NYBOT retains the right to revoke the Market Specialist’s status if NYBOT concludes from its review that the Market Specialist is not complying with the obligations of the Market Specialist.

Effective Date: _____

Board of Trade of the City of New York, Inc. (Market Specialist)

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE A

Cocoa	Front Month	Second Month	Third Month	Calendar Spread
Bid/Offer Spread				
Size				
Trading Hours				

Coffee "C"	Front Month	Second Month	Third Month	Calendar Spread
Bid/Offer Spread				
Size				
Trading Hours				

Cotton No.2	Front Month	Second Month	Third Month	Calendar Spread
Bid/Offer Spread				
Size				
Trading Hours				

FCOJ	Front Month	Second Month	Third Month	Calendar Spread
Bid/Offer Spread				
Size				
Trading Hours				

Sugar No. 11	Front Month	Second Month	Third Month	Calendar Spread
Bid/Offer Spread				
Size				
Trading Hours				

Sugar No. 14	Front Month	Second Month	Third Month	Calendar Spread
Bid/Offer Spread				
Size				
Trading Hours				

I hereby agree that the above bid/offer spreads and trading hours listed for certain of the above NYBOT Commodity Contracts are the spreads I, as a Market Specialist, will use its best efforts to maintain in accordance with paragraph 2 of the Market Specialist Application.

Date: _____

By: _____
 Name:
 Title: