

January 4, 2006

**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 Amendment to Supplement No. 2, “Licensed Warehouses for Copper” and Supplement No. 3, “Licensed Weighmasters for Copper” of the Grade 1 Copper Futures Contract. Submission No. 06-03.

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.

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. The proposed amendments add Owensboro Riverport Authority, Owensboro, Kentucky as an Exchange Licensed Warehouse and Exchange Licensed Weighmaster for copper.

The application submitted by Owensboro Riverport Authority (“ORA”) meets all of the requirements of the Exchange for the handling, storage and weighing of metal. ORA has been an Exchange Licensed Warehouse for Aluminum since 1999 and has consistently met the requirements of the Exchange as both a Licensed Warehouse and Licensed Weighmaster for aluminum.

A. BACKGROUND

Owensboro Riverport Authority is a governmental agency of the City of Owensboro, Kentucky organized pursuant to Section 65 of the Kentucky Revised Statutes, whose address is 1771 River Road, P.O. Box 21955, Owensboro, Kentucky 42304. The port is located at mile point 759 of the Ohio River.

ORA commenced operations in 1976 and has been a warehousing location for a variety of commodities since that date. Major commodities warehoused have included packaged food products, numerous paper products, scrap aluminum, primary aluminum, and production items from local industries, steel coils and glass products.

B. FACILITY AND MATERIAL HANDLING

The ORA port facility is located at 2300 Harbor Road and its offices are located at 1771 River Road which is adjacent to 2300 Harbor Road. The port facility consists of extensive outdoor storage areas, principally for aluminum, and several warehouse buildings which would be used for the storage of copper as well as other products.

The following warehouse facilities are located at 2300 Harbor Road.

Warehouse 1. This building built in 1975 is 32,000 Square Feet (SF) with a 1910 SF covered rail dock. It is constructed of precast concrete and metal siding. It has two truck docks and has a sprinkler system. The floor loading capacity is 400 pounds per SF.

Warehouse 2. This 21,000 SF building was built in 1986. It has a 3,300 SF covered rail dock, two truck doors and its materials of construction are metal siding (structural steel plate) and a metal roof. The six inch floor slab has recommended load capacity of 400 pounds per SF. This building has a Dry System sprinkler system.

Warehouse 3. This newest building at this location was built in 1990 and has 43,250 SF of indoor storage along with a 6,000 SF covered rail dock and four truck docks. The materials of construction are structural steel plate and like the other buildings it is protected by a Dry System sprinkler system. The concrete floor has a load bearing capacity of 400 pounds per SF.

The main offices of ORA are located at 1771 River Road which is also the location of Warehouse 4, which would be used for the storage of copper. Even though the street addresses are different, this facility is located on the property owned by ORA and is an integral part of the port facility.

Warehouse 4. This newest warehouse facility was constructed in 2003 and has 300,000 SF of indoor storage with a 20,000 SF covered rail dock. The building has 14 truck doors and is protected by a Dry System sprinkler. Materials of construction include precast concrete insulated walls and metal roof.

Port Security: Security is provided twenty-fours per day, seven days per week, by a contract security service. During non-operating hours security personnel periodically patrol all port facilities as directed by port management. All warehouse buildings are secured at night.

Storage Capacity

The estimated storage capacity, based on 5,000 pound bundles stacked three high in Warehouses 1 thru 3 and stacked six bundles high in Warehouse 4, is as follows:

Warehouse 1. 13,000 short tons.

Warehouse 2. 8,700 short tons.

Warehouse 3. 18,000 short tons

Warehouse 4. 67,000 short tons

Material Handling:

The warehouse facilities described above have a total of twenty-two (22) truck doors. Under normal conditions one rail switch per day is provided by the CSX railroad. Additional rail switches may be arranged upon request.

Warehouses 1 thru 3 can accommodate a total of 23 rail cars per switch while Warehouse 4 can accommodate 22 rail cars per switch.

ORA owns twenty-one (21) fork trucks with capacities varying from 5,000 pounds to 52,000 pounds which are adequate to handle bundles of copper cathodes.

The port is located on the Ohio River at mile post 759 and has barge discharge/loading capabilities using two 110 ton Link Belt cranes. The two cranes, with crew and auxiliary equipment, could discharge two (2) barges of commodities per day.

Guaranteed Minimum Shipping Capacity: Owensboro Riverport Authority will guarantee 500 tons per day as a minimum shipping rate on copper cathodes.

Inspection: Exchange staff visited and inspected the proposed facilities and determined that they are suitable for the storage of copper. Staff was impressed with the knowledge and operating history of the warehouse personnel at this major port facility.

C. INSURANCE

ORA 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.

D. CONDITIONS PRECEDENT

A condition precedent to the effective date of Owensboro Riverport Authority becoming an Exchange Licensed Warehouse and Licensed Weighmaster for copper would be the execution of legal documentation acceptable to the Exchange.

II. PROPOSED AMENDMENTS

The proposed amendments are attached.

Proposed Amendment: Underlining indicates additions.

COMMODITY EXCHANGE, INC.

LICENSED WAREHOUSES FOR COPPER

	<u>FACILITIES</u>	<u>COMPUTER CODE</u>
<u>CAMDEN, NEW JERSEY</u>		
South Jersey Port Corporation----- P.O. Box 129 Camden, NJ 08101 (Orders: (856)-757-4983)	Second & Beckett Streets Camden, NJ	2602
<u>BALTIMORE, MARYLAND</u>		
Edgemere Terminals, Inc.----- 8004 Stansbury Road Baltimore, Md. 21222 (Orders: (410) 282-4420)	8004 Stansbury Road Baltimore, Md.	3402
Locust Industries Limited----- 4747 Hollins Ferry Road Baltimore, Md. 21227 (Orders: (410) 247-9520)	4747 Hollins Ferry Road Baltimore, Md.	3606
Madison Warehouse Corporation----- 7330 Carbide Road Baltimore, Md. 21226 (Orders: (410) 360-2300)	7330 Carbide Road Baltimore, Md.	3204
<u>TOLEDO, OHIO</u>		
MetalStore LLC----- 3332 St. Lawrence Drive Toledo, Ohio 43605 (Orders: (419) 698-3441)	3332 St. Lawrence Drive Toledo, Ohio	8101

Proposed Amendment: Underlining indicates additions.

COMMODITY EXCHANGE, INC
 LICENSED WAREHOUSES FOR COPPER
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	<u>FACILITIES</u>	<u>COMPUTER CODE</u>
<u>NEW ORLEANS, LOUISIANA</u>		
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
<u>OWENSBORO, KENTUCKY</u>		
<u>Owensboro Riverport Authority</u> <u>1771 River Road</u> <u>Owensboro, Kentucky 42304</u> <u>(Orders: (270)-926-4238)</u>	<u>2300 Harbor Road</u> <u>Owensboro, Kentucky</u> <u>1771 River Road</u> <u>Owensboro, Kentucky</u>	<u>2101</u> <u>2102</u>
<u>AMARILLO, TEXAS</u>		
Dalby Moving & Storage Co., Inc.----- P.O. Box 78450 Tucson, Arizona 85703 (Orders: (520) 887-3606)	415 North Grand Avenue Amarillo, Texas	5606
<u>EL PASO, TEXAS</u>		
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
<u>SALT LAKE CITY, UTAH</u>		
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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	<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)

Owensboro Riverport Authority
1771 River Road
Owensboro, Kentucky 42304
(Orders: (270) – 926-4238)

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

SGS North America Inc.
Mineral Services Division
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)

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 the Owensboro Riverport Authority 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 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 condition precedent discussed above.

In addition to the notification of the proposed amendment to add Owensboro Riverport Authority as an Exchange Licensed Warehouse and Weighmaster for Copper pursuant to COMEX By-Law 205(D), given December 12, 2005, the Membership was informed in a Notice to Membership dated January 4, 2006 that the Exchange intends to amend Supplement No. 2, “Licensed Warehouses for Copper” and Supplement No. 3, “Licensed Weighmasters for Copper” by adding Owensboro Riverport Authority, Owensboro, Kentucky as an Exchange Licensed Warehouse and Weighmaster for Copper as discussed above, pending notification from the Commission

