

July 23, 2012

**VIA E-MAIL**

Mr. David Stawick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**Re: Rule 40.6(a) Certification. Notification Regarding the Delisting of Four  
NYMEX Tanker Freight Swap Futures Contracts  
NYMEX Submission #12-238**

Dear Mr. Stawick,

The New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is self-certifying the delisting of four tanker freight swap futures contracts, as set out below:

<b><u>Contract</u></b>	<b><u>Code</u></b>	<b><u>Rule Chapter</u></b>
Freight Route TC1 (Platts) Swap Futures	TG	680
Freight Route TC4 (Platts) BALMO Swap Futures	V9	309
Freight Route TD10D (Baltic) Swap Futures	TO	688
Freight Route TD9 (Baltic) Swap Futures	TN	687

These contracts will be delisted from the NYMEX trading floor, and CME ClearPort, the venues on which they are currently listed. There is no open interest in these contracts. The delisting of these contracts shall be effective immediately. The respective rule chapters and terms and conditions contained in the Position Limit, Position Accountability and Reportable Level Table located in the Interpretations and Special Notices Section of Chapter 5 of the NYMEX Rulebook shall also be removed from the Exchange rulebook.

NYMEX business staff responsible for the delisting of the contracts and the NYMEX legal department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or the "Act"). During the review, NYMEX staff identified that the delisting of the contracts may have some bearing on the following Core Principles:

- **Emergency Authority**: There is no open interest in these contracts submitted for delisting and therefore, there will be no market disruption related to their delisting.
- **Availability of General Information**: Notice will be made of the contracts' delisting, and upon delisting, the terms and conditions of these contracts will no longer be available to the marketplace.

Pursuant to Section 5c(c) of the Act and CFTC Rule 40.6(a), the Exchange hereby certifies that the delisting of these contracts complies with the Act, including regulations under the Act. There were no substantive opposing views to this proposal.

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The Exchange certifies that this submission has been concurrently posted on the Exchange's website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

Should you have any questions concerning the above, please contact the undersigned at (312) 930-8167 or [Sean.Downey@cmegroup.com](mailto:Sean.Downey@cmegroup.com).

Sincerely,

/s/Sean M. Downey  
Director and Assistant General Counsel

Attachments: Appendix A – Deletion of Terms and Conditions from Exchange Rulebook

(strikethrough indicates deletion)

## NYMEX Rulebook Chapter 5 Position Limit Table

Name	Rule Chapter	Chapter Commodity Code	Diminishing Balances Contracts	All Month Accountability Level	Any One Month Accountability Level	Expiration Month Limit	Reporting Level	Aggregate Into (1)
				Rule 560	Rule 560	Rule 559	Rule 561	
<u>Clean Tanker Index</u>								
Freight Route TC1 (Platts) Swap Futures	680	TG	*	40,000	40,000	1,000	25	TG
Freight Route TC4 (Platts) BALMO Swap Futures	309	V9	*	5,000	5,000	500	25	TJ
<u>Dirty Tanker Index</u>								
Freight Route TD9 (Baltic) Swap Futures	687	TN	*	40,000	40,000	1,000	25	TN
Freight Route TD10D (Baltic) Swap Futures	688	TO	*	40,000	40,000	1,000	25	TO

### Chapter 309 Freight Route TC4 BALMO Swap

#### 309.01 — SCOPE

\_\_\_\_\_ The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

#### 309.02 — FLOATING PRICE

\_\_\_\_\_ The Floating Price for each contract month is equal to the balance-of-month arithmetic average of the rates for each business day that the TC4 Tanker Route is published by Platts for the Sing/Japan route for 30,000 metric tons, starting from the selected start date through the end of the month. If for any reason Platts cannot provide any rate required for establishing the Floating Price, then the Forward Freight Agreement Brokers Association (FFABA) may be instructed by either party to form a panel to establish any rate which will be binding on both parties.

#### 309.03 — CONTRACT QUANTITY AND VALUE

\_\_\_\_\_ The contract quantity shall be 1,000 metric tons. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.

#### 309.04 — CONTRACT MONTHS

\_\_\_\_\_ Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

#### 309.05 — PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. dollars and cents per metric ton. The minimum price fluctuation shall be \$0.0001 per metric ton. There shall be no maximum price fluctuation.

#### **309.06 — TERMINATION OF TRADING**

Termination of Trading. Trading shall cease on the last business day of the contract month.

#### **309.07 — FINAL SETTLEMENT**

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

#### **309.08 — EXCHANGE OF FUTURES FOR, OR IN CONNECTION WITH, PRODUCT AND EXCHANGE OF FUTURES FOR, OR IN CONNECTION WITH, SWAP TRANSACTIONS**

Any exchange of futures for, or in connection with, product (EFP) or exchange of futures for, or in connection with, swap transactions (EFS) shall be governed by the provisions of Rules 6.21 and 6.21A, respectively.

#### **309.09 — DISCLAIMER**

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## **Chapter 680 Freight Route TC1 (Platts) Swap Futures**

#### **680.01. — SCOPE**

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

#### **680.02. — FLOATING PRICE**

The Floating Price for each contract month is equal to the arithmetic average of the rates for each business day that the TC1 Tanker Route is published by Platts for the AG/Japan route for 75,000 metric tons over the contract month. If for any reason Platts cannot provide any rate required for establishing the Floating Price, then the Forward Freight Agreement Brokers Association (FFABA) may be instructed by either party to form a panel to establish any rate which will be binding on both parties.

#### **680.03. — CONTRACT QUANTITY AND VALUE**

The contract quantity shall be 1,000 metric tons. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.

#### **680.04. — CONTRACT MONTHS**

Trading shall be conducted in contracts in such months as shall be determined by the Board of Directors.

**680.05. PRICES AND FLUCTUATIONS**

Prices shall be quoted in U.S. dollars and cents per metric ton. The minimum price fluctuation shall be \$0.0001 per metric ton. There shall be no maximum price fluctuation.

**680.06. TERMINATION OF TRADING**

Trading shall cease on the last business day of the contract month.

**680.07. FINAL SETTLEMENT**

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

**680.08. EXCHANGE OF FUTURES FOR, OR IN CONNECTION WITH, PRODUCT (EFP) AND EXCHANGE OF FUTURES FOR, OR IN CONNECTION WITH, SWAP (EFS) TRANSACTIONS**

Any Exchange of Futures for, or in Connection with, Product (EFP) or Exchange of Futures for, or in Connection with, Swap Transactions (EFS) shall be governed by the provisions of Rules 538 and 538A, respectively.

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**Chapter 687  
Freight Route TD9 (Baltic) Swap Futures**

**687.01. SCOPE**

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

**687.02. FLOATING PRICE**

The Floating Price for each contract month is equal to the arithmetic average of the rates for each business day that the TD9 Tanker Route (for 70,000 metric tons for Caribbean to US Gulf) is published by the Baltic Exchange over the contract month. If for any reason the Baltic Exchange cannot provide any rate required for establishing the Floating Price, then the Forward Freight Agreement Brokers Association (FFABA) may be instructed by either party to form a panel to establish any rate which will be binding on both parties.

**687.03. CONTRACT QUANTITIES AND VALUE**

The contract quantity shall be 1,000 metric tons. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.

#### **687.04. CONTRACT MONTHS**

Trading shall be conducted in contracts in such months as shall be determined by the Board of Directors.

#### **687.05. PRICES AND FLUCTUATIONS**

Prices shall be quoted in U.S. dollars and cents per metric ton. The minimum price fluctuation shall be \$0.0001 per metric ton. There shall be no maximum price fluctuation.

#### **687.06. TERMINATION OF TRADING**

Trading shall cease on the last business day of the contract month.

#### **687.07. FINAL SETTLEMENT**

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

#### **687.08. EXCHANGE OF FUTURES FOR, OR IN CONNECTION WITH, PRODUCT (EFP) AND EXCHANGE OF FUTURES FOR, OR IN CONNECTION WITH, SWAP (EFS) TRANSACTIONS**

Any Exchange of Futures for, or in Connection with, Product (EFP) or Exchange of Futures for, or in Connection with, Swap Transactions (EFS) shall be governed by the provisions of Rules 538 and 538A, respectively.

#### **687.09. DISCLAIMER**

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## **Chapter 688 Freight Route TD10D (Baltic) Swap Futures**

#### **688.01. SCOPE**

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

#### **688.02. FLOATING PRICE**

The Floating Price for each contract month is equal to the arithmetic average of the rates for each business day that the TD10D Tanker Route (for 50,000 metric tons for Caribbean to US Atlantic Coast) is published by the Baltic Exchange over the contract month. If for any reason the Baltic Exchange cannot provide any rate required for establishing the Floating Price, then the Forward Freight Agreement Brokers Association (FFABA) may be instructed by either party to form a panel to establish any rate which will be binding on both parties.

**688.03. ~~CONTRACT QUANTITIES AND VALUE~~**

~~The contract quantity shall be 1,000 metric tons. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.~~

**688.04. ~~CONTRACT MONTHS~~**

~~Trading shall be conducted in contracts in such months as shall be determined by the Board of Directors.~~

**688.05. ~~PRICES AND FLUCTUATIONS~~**

~~Prices shall be quoted in U.S. dollars and cents per metric ton. The minimum price fluctuation shall be \$0.0001 per metric ton. There shall be no maximum price fluctuation.~~

**688.06. ~~TERMINATION OF TRADING~~**

~~Trading shall cease on the last business day of the month prior to the contract month.~~

**688.07. ~~FINAL SETTLEMENT~~**

~~Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.~~

**688.08. ~~EXCHANGE OF FUTURES FOR, OR IN CONNECTION WITH, PRODUCT (EFP) AND EXCHANGE OF FUTURES FOR, OR IN CONNECTION WITH, SWAP (EFS) TRANSACTIONS~~**

~~Any Exchange of Futures for, or in Connection with, Product (EFP) or Exchange of Futures for, or in Connection with, Swap Transactions (EFS) shall be governed by the provisions of Rules 538 and 538A, respectively.~~

**688.09. ~~DISCLAIMER~~**

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