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OFFICE OF THE SECRETARIAT

December 2, 2008

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 Certification. New York Mercantile Exchange, Inc. Submission #08.132: Notification of Amendments to NYMEX Rule 6.21C, Block Trades, and COMEX Rule 104.36C, Block Trades.

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 amendments to NYMEX Rule 6.21C, Block Trades, and COMEX Rule 104.36C, Block Trades, in order to allow for the submission of a Block Trade for the following NYMEX and COMEX Options products: Crude Oil (American Style), RBOB Gasoline, Heating Oil, Natural Gas (American Style), Natural Gas (European Style), Gold and Silver. The minimum block sizes per contract month are as follows:

<u>Options Product</u>	<u>Commodity Code</u>	<u>Size</u>
COMEX Gold	OG	300 Lots
COMEX Silver	SO	150 Lots
NYMEX Crude Oil (American Style)	LO	350 Lots
NYMEX RBOB Gasoline	OB	350 Lots
NYMEX Heating Oil	OH	300 Lots
NYMEX Natural Gas (European Style)	LN	550 Lots
NYMEX Natural Gas (American Style)	ON	1,600 Lots


With regard to determining the appropriate minimum size for the block trades, NYMEX conducted analyses of executed trades which were primarily executed in a pit versus electronic venue. NYMEX generally referred to prior CFTC guidance with regard to this element of the proposed rules and believes the levels set comply with that guidance and are otherwise appropriate. Additionally, NYMEX will be mindful of effects to these markets as a result of this implementation, as well as any revisions to CFTC guidance. These data are available for review

by the Commission upon request. Also, some minor clarifying amendments were made to make “futures” block trades more clearly discernible from “options” block trades, and to make clear that the minimum size is applicable to each contract month. Lastly, the COMEX rule was conformed to a recent amendment of the NYMEX rule concerning general terms/authority covered in Section (A). These changes will be made effective on trade date December 8, 2008.

Pursuant to Section 5c(c) of the Commodity Exchange Act (“Act”) and CFTC Rule 40.6, the Exchange hereby certifies that the attached rule amendments comply with the Act, including regulations under the Act.

Should you have any questions concerning the above, please contact Thomas LaSala, Managing Director, NYMEX Chief Regulatory Officer, at (212) 299-2897, or the undersigned at (202) 715-8517.

Sincerely,

A handwritten signature in cursive script, reading "De'Ana H. Dow".

De'Ana H. Dow
Managing Director
Government Relations

Attachment

**NOTIFICATION OF AMENDMENTS TO
NYMEX RULE 6.21C and COMEX Rule 104.36C**

(Bold/strikethrough indicates deletions; bold/underlining indicates additions.)

6.21C Block Trades

(A) The Exchange shall designate the products in which block trades shall be permitted and determine the minimum quantity thresholds for such transactions. The following shall govern block trades:

(1) A block trade must be for a quantity that is at or in excess of the applicable minimum quantity threshold. Orders from multiple customers may not be aggregated in order to meet the minimum quantity threshold, except in connection with the activities of a registered commodity trading advisor or foreign person performing a similar role, as described in Paragraphs 8 and 9, below.

(2) Each party to a block trade must be an "Eligible Contract Participant" as that term is defined in Section 1a(12) of the Commodity Exchange Act.

(3) A member shall not execute any order by means of a block trade for a customer unless such customer has specified that the order be executed as a block trade.

(4) The price at which a block trade is executed must conform to either (A) or (B) below:

(A) The price at which a block trade is executed must be fair and reasonable in light of (i) the size of the block trade, (ii) the prices and sizes of other transactions in the same contract at the relevant time, (iii) the prices and sizes of transactions in other relevant markets, including without limitation the underlying cash market or related and futures markets, at the relevant time, and (iv) the circumstances of the markets or the parties to the block trade; or

(B) Block trades in products and contract months eligible for Trading at Settlement in accordance with Rules 6.40B and 11G.30 may be executed and assigned the current trading day's settlement price, or a price increment ranging from 10 ticks higher or lower than the settlement price. Such transactions shall be referred to as "TAS Block" transactions. TAS Block transactions shall be submitted to the Exchange in accordance with all other provisions of this rule. TAS Block transactions may not be executed on the last trading day of an expiring contract.

(5) Block trades shall not set off conditional orders (e.g., Stop Orders and MIT Orders) or otherwise affect orders in the regular market.

(6) The buyer and seller must ensure that each block trade is reported to the Exchange within five minutes of the time of execution. The block trade must be submitted in accordance with procedures prescribed by the Exchange. The Exchange shall promptly publish block trade information separately from the reports of transactions in the regular market.

(7) Clearing members and members involved in the execution of block trades must maintain a complete record of the transaction in accordance with Exchange Rule 8.50.

(8) A commodity trading advisor ("CTA") registered or exempt from registration under the Act, including, without limitation, any investment advisor registered or exempt from registration under the Investment Advisors Act of 1940, shall be the applicable entity for purposes of Paragraphs 1, 2, 3, and 4, provided such advisors have total assets under management exceeding \$25 million and the block trade is suitable for the customers of such advisors.

(9) A foreign person performing a similar role or function to a CTA or investment advisor as described in Section (A)(1), and subject as such to foreign regulation, shall be the applicable entity for purposes of Paragraphs 1, 2, 3, and 4, provided such Persons have total assets under management exceeding \$25 million and the block trade is suitable for the customers of such persons.

(B) Block trades shall be permitted in accordance with this rule in the following Exchange **Futures products in any one contract month**, except that TAS Blocks, as described in Section 4(B) of this rule, shall be permitted only in products and contract months designated as eligible for Trading at Settlement in Rules 6.40(B) and 11G.30:

(1) Brent Crude Oil – Financial (BB) futures contracts, for a threshold minimum quantity of 100 contracts.

(2) Transactions in NYMEX Soft Futures Contracts: NYMEX Cocoa (CJ), NYMEX Coffee (KT), NYMEX Cotton (TT), NYMEX FCOJ (FJ), NYMEX Sugar 11 (YO) and NYMEX Sugar 14 (FT), for a threshold minimum quantity of 100 contracts.

(3) Light Sweet Crude Oil futures (CL), for a minimum quantity threshold of 200 contracts;

(4) Natural Gas futures (NG), for a minimum quantity threshold of 100 contracts;

(5) Heating Oil futures (HO), for a minimum quantity threshold of 100 contracts;

(6) New York Harbor RBOB Gasoline futures (RB), for a minimum quantity threshold of 100 contracts.

(7) Gulf Coast Gasoline (LR), for a minimum quantity threshold of 100 contracts;

(8) Gulf Coast Ultra Low Sulfur Diesel (LU), for a minimum quantity threshold of 100 contracts;

(9) New York Harbor Ultra Low Sulfur Diesel (LH), for a minimum quantity threshold of 100 contracts; and

(10) Brent Last Day Contract (BZ), for a minimum quantity threshold of 100 contracts.

(C) Block trades shall be permitted in accordance with this Rule 6.21C in the following Exchange Options products, in any one contract month, under the conditions described:

- (1) Light Sweet Crude Oil Options (LO), for a minimum quantity threshold of 350 contracts;
- (2) Henry Hub Natural Gas Options (ON), for a minimum quantity threshold of 1,600 contracts;
- (3) European-style Natural Gas Options (LN), for a minimum quantity threshold of 550 contracts;
- (4) New York Harbor RBOB Gasoline Options (OB), for a minimum quantity threshold of 350 contracts; and
- (5) New York Harbor Heating Oil Options (OH), for a minimum quantity threshold of 300 contracts.

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104.36C Block Trades

~~(A) Block trades (privately negotiated transactions) shall be permitted in such COMEX Division products, and for such minimum quantity thresholds, and subject to such other conditions as are listed in paragraphs (B) and (C) of this Rule 104.36C. The following shall govern block trades:~~

(A) The Exchange shall designate the products in which block trades shall be permitted and determine the minimum quantity thresholds for such transactions. The following shall govern block trades:

- (1) A block trade must be for a quantity that is at or in excess of the applicable minimum quantity threshold. Orders from multiple accounts may not be aggregated in order to meet the minimum quantity threshold, except in connection with the activities of a registered commodity trading advisor or foreign person performing a similar role, as described in Paragraphs 8 and 9, below.
- (2) Each party to a block trade must be an "Eligible Contract Participant" as that term is defined in Section 1a(12) of the Commodity Exchange Act.
- (3) A member shall not execute any order by means of a block trade for a customer unless such customer has specified that the order be executed as a block trade.
- (4) The price at which a block trade is executed must be fair and reasonable in light of (i) the size of the block trade, (ii) the prices and sizes of other transactions in the same contract at the

relevant time, (iii) the prices and sizes of transactions in other relevant markets, including without limitation the underlying cash and futures markets, at the relevant time, and (iv) the circumstances of the markets or the parties to the block trade.

(5) Block trades shall not set off conditional orders (e.g., Stop Orders and MIT Orders) or otherwise affect orders in the regular market.

(6) The buyer and seller must ensure that each block trade is reported to the Exchange within five minutes of the time of execution. The block trade must be submitted in accordance with procedures prescribed by the Exchange. The Exchange shall promptly publish block trade information separately from the reports of transactions in the regular market.

(7) Clearing members and members involved in the execution of block trades must maintain a complete record of the transaction in accordance with Exchange Rule 8.50.

(8) A commodity trading advisor ("CTA") registered or exempt from registration under the Act, including, without limitation, any investment advisor registered or exempt from registration under the Investment Advisors Act of 1940, shall be the applicable entity for purposes of Paragraphs 1, 2, 3, and 4, provided such advisors have total assets under management exceeding \$25 million and the block trade is suitable for the customers of such advisors.

(9) A foreign person performing a similar role or function to a CTA or investment advisor as described in Section (A)(1), and subject as such to foreign regulation, shall be the applicable entity for purposes of Paragraphs 1, 2, 3, and 4, provided such persons have total assets under management exceeding \$25 million and the block trade is suitable for the customers of such persons.

(B) Block trades shall be permitted in accordance with this Rule 104.36C in the following Exchange **Futures** products, **in any one contract month**, under the conditions described:

1. Gold futures contracts (GC), for a minimum quantity threshold of 200 contracts;
2. Silver futures contracts (SI), for a minimum quantity threshold of 200 contracts;
3. Copper futures contracts (HG), for a minimum quantity threshold of 100 contracts; **and**
4. Aluminum futures contracts (AL), for a minimum quantity threshold of 100 contracts.

(C) Block trades shall be permitted in accordance with this Rule 104.36C in the following Exchange Options products, in any one contract month, under the conditions described:

- (1) Gold Options contracts (OG) for a minimum quantity threshold of 300 contracts; and**
- (2) Silver Options contracts (SO), for a minimum quantity threshold of 150 contracts.**