

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 16-453

Organization: New York Mercantile Exchange, Inc. ("NYMEX")

Filing as a:  DCM  SEF  DCO  SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 11/04/16 Filing Description: Declaration of Force Majeure with Respect to the RBOB Gasoline Futures Contract

Please note only ONE choice allowed per Submission.

**Organization Rules and Rule Amendments**

- |                                     |                                     |            |
|-------------------------------------|-------------------------------------|------------|
| <input checked="" type="checkbox"/> | Certification                       | § 40.6(a)  |
| <input type="checkbox"/>            | Approval                            | § 40.5(a)  |
| <input type="checkbox"/>            | Notification                        | § 40.6(d)  |
| <input type="checkbox"/>            | Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/>            | SIDCO Emergency Rule Change         | § 40.10(h) |

Rule Numbers: See filing.

**New Product**

Please note only ONE product per Submission.

- |                          |                                       |            |
|--------------------------|---------------------------------------|------------|
| <input type="checkbox"/> | Certification                         | § 40.2(a)  |
| <input type="checkbox"/> | Certification Security Futures        | § 41.23(a) |
| <input type="checkbox"/> | Certification Swap Class              | § 40.2(d)  |
| <input type="checkbox"/> | Approval                              | § 40.3(a)  |
| <input type="checkbox"/> | Approval Security Futures             | § 41.23(b) |
| <input type="checkbox"/> | Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> | Swap Submission                       | § 39.5     |

**Official Product Name:**

**Product Terms and Conditions (product related Rules and Rule Amendments)**

- |                          |   |                      |
|--------------------------|---|----------------------|
| <input type="checkbox"/> | Certification   | § 40.6(a)            |
| <input type="checkbox"/> | Certification Made Available to Trade Determination     | § 40.6(a)            |
| <input type="checkbox"/> | Certification Security Futures                          | § 41.24(a)           |
| <input type="checkbox"/> | Delisting (No Open Interest)                            | § 40.6(a)            |
| <input type="checkbox"/> | Approval  | § 40.5(a)            |
| <input type="checkbox"/> | Approval Made Available to Trade Determination          | § 40.5(a)            |
| <input type="checkbox"/> | Approval Security Futures                               | § 41.24(c)           |
| <input type="checkbox"/> | Approval Amendments to enumerated agricultural products | § 40.4(a), § 40.5(a) |
| <input type="checkbox"/> | "Non-Material Agricultural Rule Change"                 | § 40.4(b)(5)         |
| <input type="checkbox"/> | Notification  | § 40.6(d)            |

Official Name(s) of Product(s) Affected:

Rule Numbers:

November 4, 2016

**VIA ELECTRONIC PORTAL**

Mr. Christopher J. Kirkpatrick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, DC 20581

**RE: CFTC Regulation 40.6(a)(6) Emergency Rule Certifications. Declaration of Force Majeure – RBOB Gasoline Futures Contract. NYMEX Submission No. 16-453**

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”), pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a)(6), hereby notifies the Commission that effective on November 4, 2016, it has declared Force Majeure pursuant to NYMEX Rule 701. (“Declarations of Force Majeure”) with respect to the deliveries of the RBOB Gasoline Futures contract (Rulebook Chapter 191; Commodity Code: RB) (the “Contract”).

The marketplace has been informed of this declaration via CME Group Special Executive Report (“SER”) SER-7784. A copy of SER-7784 appears in Exhibit A. SER-7784 notifies market participants that only RBOB gasoline (and not conventional gasoline or related blendstocks) is deliverable under the Contract.

NYMEX Rule 191101.5(a) requires that Contract deliveries comply with EPA gasoline specifications at all times. On November 3, 2016, the EPA revised gasoline standards through a temporary waiver permitting deliveries of conventional (non-RBOB) and conventional/RBOB blends in selected geographical locations, which include approved NYMEX delivery locations for the Contract. The Exchange issued an SER in consultation with market participants on November 4, 2016 to inform the marketplace of the EPA’s temporary action and its impact on the Contract’s delivery requirements – the acceptability of conventional gasoline as good delivery in New York Harbor.

Based on (i) the ready supply of RBOB gasoline in New York Harbor, (ii) potential significant delivery and settlement disruptions that could be caused by permitting the the delivery of otherwise non-conforming fuel and fuel blends against RBOB Gasoline futures, and (iii) the need to promote uniformity in delivery standards for the duration of the delivery period, the Exchange has determined pursuant to NYMEX Rule 701. (“Declarations of Force Majeure”) to render the EPA waiver of delivery restrictions inapplicable to Contract deliveries.

For reference, the relevant portion of Rule 701. that applies is provided below:

If a determination is made by the Chief Executive Officer, Executive Chairman & President, President of Global Operations, Technology & Risk, Chief Operating Officer or Chief Regulatory Officer, or their delegate, that delivery or final settlement of any contract cannot be completed as a result of Force Majeure, he shall take such action as he deems necessary under the circumstances, and his decision shall be binding upon all parties to the contract.

Accordingly, only RBOB gasoline (and not conventional gasoline or related blendstocks) will be deliverable under the Contract. The Force Majeure action will remain in effect until the expiration of the EPA's temporary waiver, which is attached under separate cover as Exhibit B.

The Exchange has reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA") and has identified that the declaration of Force Majeure may have some bearing on the following Core Principles:

- Emergency Authority: The declaration of Force Majeure by NYMEX is an emergency circumstance, and, as such, requires prompt notice to be provided to the Commission under both Commission Regulations and NYMEX Rule 701. The declaration of Force Majeure with respect to the Contract was made pursuant to NYMEX Rule 701.
- Availability of General Information: The Exchange published SER-7784 on November 4, 2016 to provide notice to the marketplace of the declaration of Force Majeure. In addition to being emailed to all market participants subscribed to receive SERs via email, the SER has also been uploaded to the CME Group website.

The Exchange hereby certifies that the action described herein complies with the Act, including regulations under the Act. There were no substantive opposing views to this action.

NYMEX certifies that this submission has been concurrently posted on the CME Group website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

If you require any additional information, please email [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com) or contact the undersigned at 212-299-2200.

Sincerely,

/s/Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A - SER-7784  
Exhibit B - EPA November 2016 Fuel Waiver Concerning Reformulated Gasoline in Alabama, Delaware, Georgia, Kentucky, Maryland, Mississippi, New Jersey, New York, North Carolina, Pennsylvania, South Carolina, Tennessee, Virginia, and the District of Columbia (attached under separate cover)

## Exhibit A



**DATE:** November 4, 2016  
**SER#:** 7784  
**SUBJECT:** NYMEX will NOT apply EPA Waiver to RBOB Gasoline Futures Contract for Deliveries

Effective immediately, the EPA waiver issued on November 3, 2016 will **not** apply to deliveries against the RBOB Gasoline Futures contract (Rulebook Chapter 191; Commodity Code: RB) (the "Contract"). The Exchange emphasizes that only RBOB gasoline (and **not** conventional gasoline or related blendstocks) is deliverable under the Contract.

The United States Environmental Protection Agency ("EPA") issued a waiver on November 3, 2016 in response to the pipeline leak that occurred on the Colonial Pipeline in Alabama. The EPA waiver allows for delivery of conventional gasoline and related blendstocks in New York Harbor.

Based on (i) the ready supply of RBOB gasoline in New York Harbor, (ii) potential significant delivery and settlement disruptions that could be caused by permitting the the delivery of otherwise non-conforming fuel and fuel blends against RBOB Gasoline futures, and (iii) the need to promote uniformity in delivery standards for the duration of the delivery period, the Exchange has determined pursuant to NYMEX Rule 701. ("Declarations of Force Majeure") to render the EPA waiver of delivery restrictions inapplicable to Contract deliveries.

Accordingly, only RBOB gasoline (and not conventional gasoline or related blendstocks) will be deliverable under the Contract. The Force Majeure action will remain in effect until the expiration of the EPA's temporary waiver.

For additional information, please contact:

**Energy Research**

Daniel Brusstar

[Daniel.Brusstar@cmegroup.com](mailto:Daniel.Brusstar@cmegroup.com)

212.299.2604

**Exhibit B**

EPA November 2016 Fuel Waiver Concerning Reformulated Gasoline in Alabama, Delaware, Georgia, Kentucky, Maryland, Mississippi, New Jersey, New York, North Carolina, Pennsylvania, South Carolina, Tennessee, Virginia, and the District of Columbia

(attached under separate cover)