

February 28, 2008

VIA E-MAIL

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

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2008 FEB 28 AM 11:27
OFC. OF THE SECRETARIAT

**Re: Rule Certification. New York Mercantile Exchange, Inc. Submission #08.21:
Certification of Amendments to Exchange Rule 6.21G.**

Dear Mr. David Stawick:

The New York Mercantile Exchange, Inc. ("NYMEX" or the "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is self-certifying the following amendments to Exchange Rule 6.21G, Participation by NYMEX Floor Members in Special Program for Over-the-Counter Trading with FCM Guarantee.

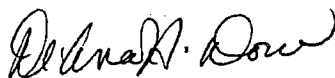
Currently, Exchange Rule 6.21G permits a NYMEX Floor Member, who does not satisfy the total asset requirement for qualification as an "eligible contract participant," to engage in over-the-counter ("OTC") transactions, provided that a Clearing Member executes a financial guarantee in respect of such Floor Member's OTC transactions. Floor Members guaranteed pursuant to Exchange Rule 6.21G may not, however, enter into OTC transactions with other Floor Members trading pursuant to an FCM guarantee under that rule [see Exchange Rule 6.21G(E)]. Exchange rules place full responsibility for compliance with this rule on the Floor Member principal to the OTC transaction, even in cases where the transaction has been intermediated by a voice broker [see e.g., Exchange Rule 9.04A(B), NYMEX ClearPort Clearing: Use of EFS and EFP Procedures for Trade Submission, which states in pertinent part: "Each of the Parties to the Transaction shall be responsible for ensuring that the Transaction complies with CFTC regulatory requirements as applicable for such transaction . . ."].

Exchange Rule 6.21G is being amended by implementing the following summary disciplinary procedures for violations of the prohibition on entering into OTC transactions with other Floor Members trading pursuant to a Rule 6.21G guarantee: 1) a warning letter for the first occurrence of a violation; 2) a \$1,000 fine and an order to cease and desist for a second violation within 12 months of any previous violation; and 3) for each occurrence of an additional violation within 12 months of any previous violation, either (i) a \$2,500 fine, or (ii) referral of any violation deemed to constitute a severe abuse of Exchange rules to the Business Conduct Committee for additional penalties, including termination of the Floor Member's eligibility to enter into OTC transactions under Rule 6.21G. Further, a few formatting changes will also be made to Exchange Rule 6.21G.

Pursuant to Section 5c(e) of the Commodity Exchange Act ("Act") and CFTC Rule 40.6, the Exchange hereby certifies that the amendments referenced above comply with the Act, including regulations under the Act. These changes will be made effective on March 3, 2008.

Should you have any questions concerning the above, please contact Anthony V. Densieski, Vice President, Market Surveillance, at (212) 299-2881, or R. Stephen Painter, Jr., Director and Counsel, Market Surveillance, at (212) 299-2920.

Very truly yours,

A handwritten signature in cursive script, appearing to read "De'Ana H. Dow".

De'Ana H. Dow
Senior Vice President and
Chief Legislative Counsel

CERTIFICATION OF AMENDMENTS TO NYMEX RULE 6.21G

(Strikeouts in bold show deletions; Underlines in bold show additions)

Rule 6.21G, Participation by NYMEX Floor Members in Special Program for Over-the-Counter Trading with FCM Guarantee

(A) In accordance with the CFTC's Order effective August 4, 2006, this program is effective until such date as announced by the Exchange. The over-the-counter (OTC) contracts, agreements or transactions must be executed pursuant to Section 2(h)(1) of the Commodity Exchange Act (Act), which in effect provides among other things that such transactions shall be subject to CFTC anti-fraud and anti-manipulation authority and also may not be entered into on a trading facility. This program generally allows a NYMEX Floor Member to enter into trading in certain OTC contracts on the basis of an FCM guarantee without needing to satisfy the total assets requirements otherwise necessary under the Act for such trading. In order to maintain eligibility for this program, a NYMEX Floor Member must continue to satisfy all of the conditions contained in this rule.

(B) This program is available only to NYMEX Floor Members in good standing who are properly registered with the CFTC as a floor trader and/or as a floor broker. With respect to floor brokers, this program is available only for trading executed by the floor broker for his proprietary account. In addition, each NYMEX Floor Member must notify the Exchange Compliance Department prior to any participation in this program.

(C) Clearing. The NYMEX Floor Member must have obtained and at all times maintain a financial guarantee in writing as provided by the Exchange for the OTC contracts, agreements or transactions from a NYMEX Clearing Member that:

(1) is registered with the Commission as an FCM; and, (2) clears the OTC contracts, agreements or transactions thus guaranteed for such NYMEX Floor Member.

(D) Permissible OTC contracts, agreements or transactions shall be limited to trading in a commodity that either:

(1) is listed only for clearing at NYMEX; or

(2) is listed for trading and clearing at NYMEX and NYMEX's rules provide for exchanges of futures for swaps in that contract; and

(3) each OTC contract, agreement or transaction executed pursuant to this NYMEX program must be cleared at NYMEX.

(E) The NYMEX Floor Member may not enter into OTC contracts, agreements or transactions with another floor broker or floor trader as the counterparty for any contract that is listed for trading on the Exchange. However, a NYMEX Floor Member may enter into OTC contracts, agreements or transactions for such products with another individual or entity that qualifies as an "eligible contract participant" pursuant to the Act.

(F) Penalties for Violations of Rule 6.21G(E)

(1) First Violation. The first occurrence of a violation of Rule 6.21G(E) will not be deemed a rule violation. Compliance Staff shall issue a warning letter to such Floor Member guaranteed pursuant to this Rule 6.21G, advising such Floor Member of the requirements of Rule 6.21G(E) and notifying such Floor Member that further violations of Rule 6.21G(E) may result in more severe penalties, including a monetary fine and the termination of such Floor Member's eligibility to enter into OTC transactions under this Rule 6.21G.

(2) Second Violation Within 12 Months. The occurrence of a second violation of Rule 6.21G(E) within 12 months of any previous violation of Rule 6.21G(E) shall be deemed a rule violation and shall subject such Floor Member to an automatic fine of \$1,000 and to a cease and desist order issued by the President or his designee.

(3) Additional Violations. Each occurrence of an additional violation of Rule 6.21G(E) within a 12 month period following any previous violation of Rule 6.21G(E) shall result in either: (i) an automatic fine of \$2,500 issued by the President or his designee; or (ii) a referral to the Business Conduct Committee by the President or his designee for further action under Rule 6.21G(F)(4) for any such violation deemed by the President or his designee to constitute a severe abuse of Exchange rules.

(4) Any other provision of these Rules notwithstanding, a panel of the Business Conduct Committee may take other actions or impose additional penalties against any Floor Member for any violation of Rule 6.21G(E) deemed to constitute a severe abuse of Exchange rules as provided in Rule 6.21G(F)(3)(ii), including, but not limited to, termination of such Floor Member's eligibility to enter into OTC transactions under this Rule 6.21G.

(G)(F) All contracts transacted in connection with this rule must be submitted and accepted for clearing on the Exchange. This rule neither authorizes nor allows a NYMEX Floor Member to maintain an uncleared OTC position and such activity would constitute a violation of this rule.