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OFFICE OF THE SECRETARIAT

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June 2, 2010

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 # 10-154:
Notification Regarding the Listing of Two (2) Plastics Futures Contracts for Trading
and Clearing**

Dear Mr. 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 listing of two (2) new financially settled plastics futures for trading on the NYMEX trading floor and for submission for clearing through CME ClearPort beginning at 6:00 p.m. on Sunday, June 6, 2010 for trade date Monday, June 7, 2010.

The two (2) plastics contracts, commodity codes, rule chapters and listing schedules are as follows:

Contracts	Code	Rule Chapter	Listing Period
HDPE High Density Polyethylene (PCW) Calendar Swap Futures	HPE	139	24 consecutive months
LLDPE Linear Low Density Polyethylene (PCW) Calendar Swap Futures	LPE	140	24 consecutive months

These new plastics futures contracts will be available during normal trading hours on the NYMEX trading floor and through CME ClearPort. Open outcry trading is conducted Monday through Friday from 9:00 a.m. until 2:30 p.m. (New York prevailing time), except on Exchange holidays. CME ClearPort is available from 6:00 p.m. Sunday until 5:15 p.m. Friday (New York prevailing time). There is a 45-minute halt each day between 5:15 p.m. (current trade date) and 6:00 p.m. (next trade date).

The first listed month for all contracts will be the June 2010 contract month. The listing period is reflected in the table above.

In addition, the Exchange will allow exchange for related position (EFRP) transactions to be submitted through CME ClearPort. EFRP transactions in these futures contracts will be governed by the provisions of Exchange Rule 538.

Although the supplemental market information attached herewith includes the recommended position limits for these contracts, a separate filing will be submitted to the Commission to self-certify those position limits.

Pursuant to Section 5c(c) of the Commodity Exchange Act ("Act") and CFTC Rules 40.2 and 40.6, the Exchange hereby certifies that the attached contracts comply with the Act, including regulations under the Act. This submission will be made effective on trade date April 26, 2010.

Should you have any questions concerning the above, please contact Daniel Brusstar at (212) 299-2604 or the undersigned at (212) 299-2207.

Sincerely,

Brian Regan
/s/Managing Director and Regulatory Counsel

Attachments: Contract terms and conditions
Supplemental Market Information

Chapter 139
HDPE High Density Polyethylene (PCW) Calendar Swap Futures

- 139.01. 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.
- 139.02. FLOATING PRICE**
The Floating Price for each contract month is equal to the arithmetic average daily closing price of the PetroChem Wire Daily FOB Houston High Density Polyethylene of blow molding grade with 0.35 melt and 0.953 density for each business day during the contract month.
- 139.03. CONTRACT QUANTITY AND VALUE**
The contract quantity shall be 47,000 pounds. Each contract shall be valued as the contract quantity (47,000) multiplied by the settlement price.
- 139.04. CONTRACT MONTHS**
Trading shall be conducted in contracts providing for delivery in such months as shall be determined by the Exchange.
- 139.05. PRICES AND FLUCTUATIONS**
Prices shall be quoted in dollars and cents per pound. The minimum price fluctuation shall be \$.00001 (.001 cents) per pound.
- 139.06. TERMINATION OF TRADING**
Trading or clearing shall cease on last business day of the contract month.
- 139.07. 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.
- 139.08. EXCHANGE FOR RELATED POSITION**
Any exchange for related position (EFRP) transaction shall be governed by the provisions of Exchange Rule 538.
- 139.09. DISCLAIMER**
PetroChem Wire licenses the New York Mercantile Exchange, Inc. ("NYMEX") to use various PCW price assessments in connection with the trading of the contracts.

NEITHER NYMEX AND ITS AFFILIATES NOR PCW GUARANTEES THE ACCURACY AND/OR COMPLETENESS OF THE ASSESSMENT OR ANY OF THE DATA INCLUDED THEREIN. NYMEX AND ITS AFFILIATES AND PCW MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM USE OF THE ASSESSMENT, TRADING BASED ON THE ASSESSMENT, OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF THE CONTRACT, OR, FOR ANY OTHER USE. NYMEX AND ITS AFFILIATES AND PCW MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AND HEREBY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE ASSESSMENT OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL NYMEX AND ITS AFFILIATES OR PCW HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

Chapter 140
LLDPE Linear Low Density Polyethylene (PCW) Calendar Swap Futures

- 140.01. 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.
- 140.02. FLOATING PRICE**
The Floating Price for each contract month is equal to the arithmetic average daily closing price of the PetroChem Wire Daily FOB Houston Linear Low Density Polyethylene Film Butene grade with 1.0 melt and 0.92 density barefoot or medium adds for each business day during the contract month.
- 140.03. CONTRACT QUANTITY AND VALUE**
The contract quantity shall be 47,000 pounds. Each contract shall be valued as the contract quantity (47,000) multiplied by the settlement price.
- 140.04. CONTRACT MONTHS**
Trading shall be conducted in contracts providing for delivery in such months as shall be determined by the Exchange.
- 140.05. PRICES AND FLUCTUATIONS**
Prices shall be quoted in dollars and cents per pound. The minimum price fluctuation shall be \$.00001 (.001 cents) per pound.
- 140.06. TERMINATION OF TRADING**
Trading or clearing shall cease on last business day of the contract month.
- 140.07. 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.
- 140.08. EXCHANGE FOR RELATED POSITION**
Any exchange for related position (EFRP) transaction shall be governed by the provisions of Exchange Rule 538.
- 140.09. DISCLAIMER**
PetroChem Wire licenses the New York Mercantile Exchange, Inc. ("NYMEX") to use various PCW price assessments in connection with the trading of the contracts.

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SUPPLEMENTAL MARKET INFORMATION

Contracts	Rule Chapter
HDPE High Density Polyethylene (PCW) Calendar Swap Futures	139
LLDPE Linear Low Density Polyethylene (PCW) Calendar Swap Futures	140

The supplemental market information includes a description of the plastics market and the price source for the two (2) plastics futures contracts for trading on the NYMEX trading floor and for submission for clearing through CME ClearPort®. The Exchange currently lists two physically-delivered plastics futures contracts, and these new cash-settled plastics futures contracts will provide a useful hedging instrument for the plastics producers and end-users.

PRICE SOURCES: PetroChem Wire, LLC

The price reporting service utilized for the final settlement of the HDPE High Density Polyethylene (PCW) Calendar Swap Futures and LLDPE Linear Low Density Polyethylene (PCW) Calendar Swap Futures contracts is PetroChem Wire, LLC ("PetroChem Wire"). This price source is the pricing service used in the over-the-counter ("OTC") market for the pricing of petrochemicals and plastics, and their price methodology is well-known in the petrochemical industry. PetroChem Wire price services are widely used and serve as benchmarks in the petrochemical industry.

The New York Mercantile Exchange, Inc. ("NYMEX" or the "Exchange") has an agreement with PetroChem Wire, LLC to utilize their pricing data.

U.S. Plastics Market

The plastics market is a large global market of 300 million tons of plastics production with market value of more than \$100 billion. The Exchange will be listing two financially-settled plastics contracts based on high-density polyethylene (HDPE) and Linear Low Density Polyethylene (LLDPE), which are the two most common plastics products that are produced in the U.S. High-density polyethylene is utilized as the key input for the production of plastic bottles, garbage bags, and packaging containers. Linear Low Density Polyethylene is the key input for plastic wrap film.

The grades are related to how a particular grade of polyethylene melts (which is how it is processed), specific to factors including clarity and/or color and the temperature at which it melts (also called its melt flow number) as well as breaks (its tensile strength). LLDPE has one major grade, which is the "Film" Grade. For HDPE, there are three major grades: Blow Molding, Injection, and Film.

U.S. polyethylene is mostly traded in the continental North American market where it is transported from plants that are mostly located in Texas and Louisiana by rail cars or trucks. When it is exported or imported, it is transported in large bags that are placed in containers for seagoing purposes. In the U.S., polyethylene is priced in dollars per pound. In the U.S. market, polyethylene benchmarks are priced on a freight-free basis, known as Free On Board (FOB) in Houston. The oil refining and petrochemical companies are the main producers of plastics.

According to the American Chemistry Council (ACC), which is a plastics industry association, the annual production for the U.S. and Canada of high-density polyethylene (HDPE) is approximately 16 billion pounds, with monthly deliverable supply of 1.4 billion pounds. Further, the annual production for the U.S. and Canada of Linear Low Density Polyethylene (LLDPE) is approximately 12 billion pounds, with monthly deliverable supply of 1.0 billion pounds.

Table 1. Selected Statistics for Plastics from the American Chemical Council (ACC): United States and Canada

(Millions of Pounds)

Plastics ¹	Production			Total Sales		
	2008	2007	% Change	2008	2007	% Chg
LLDPE	12,058	13,584	-11.2	12,385	13,379	-7.4
HDPE	16,247	18,222	-10.8	16,823	18,373	-8.4

Table 2. Selected Statistics for Plastics from the American Chemical Council (ACC): United States and Canada

March 2010 Plastics Production and Sales Stats²

RESIN PRODUCTION AND SALES STATS								
<i>(Millions of Pounds, Dry Weight Basis)</i>								
	Sales & Captive Use				Production			
	March		Year-to-Date		March		Year-to-Date	
	2010	2009	2010	2009	2010	2009	2010	2009
<i>Select Resin-Specific Totals:</i>								
LDPE	594	552	1,734	1,523	592	519	1,717	1,583
LLDPE	1,105	987	3,347	2,886	1,109	1,115	3,470	3,055
HDPE	1,411	1,245	4,127	3,831	1,497	1,364	4,220	3,940
PP	1,502	1,329	4,196	4,012	1,505	1,280	4,197	4,006
PS	433	413	1,202	1,219	461	405	1,284	1,158
PVC	1,159	999	3,375	2,853	1,167	949	3,314	2,810

The plastics market has an actively traded cash market with the main trading hub in Houston where delivery against the futures contract will occur. There are two main electronic platforms that transact cash market and forward market transactions: the ICE Chemconnect platform and the Plastics Exchange system. The typical transaction size in the cash market is 47,000 pounds, which is equivalent to the contract size. The main modes of transportation for plastics are via railcar and truck. The market participation in the plastics market is diverse and includes industrial companies in the U.S.

¹ American Chemical Council (ACC) Production and Sales Data,
http://www.americanchemistry.com/s_acc/sec_policyissues.asp?CID=996&DID=6872

² American Chemical Council (ACC) Production and Sales Data,
http://www.americanchemistry.com/s_acc/sec_news_article.asp?CID=206&DID=11003

Table 3. Plastics Prices: United States

(U.S. Dollars per Pound)

HDPE ³				
Monthly Average	2007	2008	2009	2010
January	NA	0.75250	0.41100	0.58987
February	NA	0.74450	0.45605	0.63842
March	NA	0.74881	0.45023	0.68783
April	NA	0.75386	0.44182	0.71545
May	NA	0.78500	0.45475	0.64405
June	NA	0.83571	0.50136	--
July	0.63447	0.90614	0.52795	--
August	0.65609	0.90524	0.54381	--
September	0.67289	0.86952	0.55048	--
October	0.70457	0.79174	0.50727	--
November	0.73341	0.56944	0.54921	--
December	0.73575	0.41795	0.56455	--

LLDPE ⁴				
Monthly Average	2007	2008	2009	2010
January	NA	0.66977	0.40925	0.56737
February	NA	0.66375	0.44605	0.61421
March	NA	0.66024	0.44386	0.66174
April	NA	0.66886	0.43841	0.66455
May	NA	0.69571	0.45425	0.60452
June	NA	0.74095	0.49386	--
July	0.58531	0.82023	0.52045	--
August	0.60739	0.81786	0.53048	--
September	0.59263	0.79262	0.53357	--
October	0.61565	0.73848	0.48818	--
November	0.65023	0.53842	0.52684	--
December	0.65650	0.37523	0.54000	--

³ HDPE Plastic Prices, PetroChem Wire, LLC

⁴ LLDPE Plastic Prices, PetroChem Wire, LLC

In addition, the OTC swaps market is growing in liquidity. The London Metal Exchange (LME) lists several plastics contracts globally, with two U.S. contracts for physical delivery. The LME has listed contracts based on polypropylene (PP) and linear low-density polyethylene (LLDPE) since 2006, with traded volumes of more than 1.6 billion pounds of PP and 1.4 billion pounds of LLDPE in its first two years of operation.

Further, there is a growing OTC swaps market transacted by telephone brokers and by the Houston Mercantile Exchange platform.

Plastics Market Participants

The plastics cash market and OTC market participants are diverse and include 30 to 40 wholesalers and retailers. A partial listing is as follows:

<u>Refiners</u>	<u>Traders/Retailers</u>	<u>Brokers</u>	<u>Financial</u>
BP	3M	Amerex	Barclays
Chevron Phillips	ALCOA	Houston Merc	Deutsche Bank
Dow Chemical	BASF Chemical	ICAP	Goldman Sachs
ExxonMobil Chemical	Bemis	Man Financial	JP Morgan
Formosa Plastics USA	Berry Plastics	Plastics Exchange	Wachovia
Hess	Birds Eye	Prebon	
Huntsman	Cargill	TFS	
INEOS	Clorox		
Koch Petroleum	Coca Cola Bottling Companies		
LyondellBasell	Consolidated Container		
Shell	Crown, Cork and Seal		
Total Petrochemicals	General Mills		
Westlake Petrochemicals	Heritage Bag Company		
	ITW Industrial Packaging		
	Kimberly Clark		
	Kraft		
	Myers Industries		
	Nestle		
	Pactiv		
	Procter & Gamble		
	Rubbermaid		
	Sempra		
	Tupperware		
	Unilever		
	Wal-Mart		

Speculative Limits for Plastics Contracts

The Exchange has set the spot month limit for the High-Density Polyethylene (HDPE) contract at 2,000 contracts (of 47,000 pounds size) which is equivalent to around 100 million pounds, which is less than 8% of the monthly deliverable supply of HDPE.

Further, the Exchange has set the spot month limit for the Linear Low Density Polyethylene (LLDPE) contract at 2,000 contracts (of 47,000 pounds size) which is equivalent to around 100 million pounds, which is less than 10% of the monthly deliverable supply of LLDPE.