



October 3, 2011

**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: Volume Incentive Program for NYMEX Energy Products NYMEX  
Submission No. 11-367

Dear Mr. Stawick:

New York Mercantile Exchange, Inc ("NYMEX" or "the Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") that it plans to implement a Volume Incentive Program in support of certain NYMEX Energy contracts that are traded on CME Globex® ("Program"). This Program will become effective on Tuesday, October 18, 2011.

Exhibit 1 sets forth the terms of this Program.

NYMEX business staff responsible for the Program and the NYMEX legal department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodities Exchange Act ("CEA"). During the review, NYMEX staff identified the following Core Principles as potentially being impacted; Monitoring of Trading, Execution of Transactions, Protection of Market Participants, Compliance with Rules and Recordkeeping.

The proposed Program will not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA and the Exchange has implemented systems to track Program participants' volume to ensure proper distribution of earned incentives. The tiered incentives in the proposed Program do not impact the Exchange's order execution. Participants in the program will be selected by Exchange staff using criteria as further stated in Exhibit 1. All participants must execute a contractual agreement with the Exchange in which each participant will expressly agree to comply with and be subject to, applicable regulations and NYMEX rules. Chapter 4 of the Exchange rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. The proposed Program will be subject to the Exchange's record retention policies which comply with the CEA.

NYMEX certifies that the Program complies with the Commodity Exchange Act and the regulations thereunder. There were no substantive opposing views to this Program.

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>

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Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

If you require any additional information regarding this submission, please contact Robert Lev at 312-930-3019 or via e-mail at [robert.lev@cmegroup.com](mailto:robert.lev@cmegroup.com), or contact me at 212-299-2200. Please reference our NYMEX Submission No. 11-367 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director, Chief Regulatory Counsel

Attachments

## EXHIBIT 1

### VOLUME INCENTIVE PROGRAM FOR NYMEX ENERGY PRODUCTS

#### Program Purpose.

The purpose of this Program is to encourage large market participants to increase their Globex volume enhancing market liquidity for the products listed below. A more liquid contract benefits all participants in the market.

#### Product Scope

Light Sweet Crude Oil futures, Natural Gas Futures, Heating Oil Futures, and RBOB Gasoline futures that are traded on the CME Globex Platform.

#### Eligible Participants

There is no limit to the number of participants under the Program. Participants may be NYMEX members or non-members. NYMEX, in its sole discretion, will use a variety of factors in determining whether or not a prospective participant is selected to participate in the Program, including but not limited to the prospective participants' overall historical volume in Light Sweet Crude Oil futures, Natural Gas Futures, Heating Oil Futures and RBOB Gasoline futures that are traded on the CME Globex Platform, the prospective participants' ability to commit to maintain a certain percentage of volume in the above-referenced products as resting volume, and the prospective participants' historical volume in NYMEX energy contracts, other than those previously mentioned above.

#### Program Term

Start date is October 18, 2011. End date is December 31, 2011.

#### Hours

N/A

#### Progressive Tiered Volume Incentives

Once accepted into the Program, participants will be eligible to participate in tiered volume incentives whereby participants may be charged a reduced fee rate for Light Sweet Crude Oil futures, Natural Gas Futures, Heating Oil Futures and RBOB Gasoline futures that a participant trades on the CME Globex Platform during regular trading hours. The progressive tiered volume levels are predetermined by NYMEX and are based on a participant's combined daily volume of contracts in the above-referenced products on the CME Globex Platform measured during an applicable calendar month.

#### Monitoring and Termination of Status

The Exchange shall monitor trading activity and participants' performance and shall retain the right to revoke Program participant status if it concludes from review that a Program participant no longer meets the eligibility requirements of the Program.