



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

October 31, 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: European Incentive Program for NYMEX OTC Energy Products.
NYMEX Submission No. 11-401

Dear Mr. Stawick:

New York Mercantile Exchange, Inc. ("NYMEX" or the "Clearing House") hereby notifies the Commodity Futures Trading Commission ("Commission") that it plans to implement an incentive program in support certain European over the counter ("OTC") cleared energy products ("Program"). The proposed Program will become effective on November 15, 2011.

Exhibit 1 sets forth the terms of the proposed Program.

NYMEX business staff responsible for the Program and the NYMEX legal department collectively reviewed the derivatives clearing organization ("DCO") 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;

Financial Resources: The incentives in this Program will have a non-material impact on the financial resources of the CME Clearing House. As such, it will not prevent the Clearing House from demonstrating that it has adequate financial, operational, and managerial resources to discharge its responsibilities as a DCO;

Participant and Product Eligibility: When selecting an applicant into the Program, NYMEX will take into account multiple factors from a candidate firm including those set forth in Exhibit 1;

Rule Enforcement: The incentives provided under the Program will not impact the Clearing House's ability to perform its monitoring or enforcement obligations under the CEA. Chapter 4 of the NYMEX rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute an application or contractual agreement with the Clearing House in which each participant will expressly agree to comply with and be subject to, applicable regulations and NYMEX rules.

Recordkeeping: The proposed Program will be subject to the Clearing House's records 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.

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

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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, or contact me at 212-299-2200. Please reference our NYMEX Submission No. 11-401 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director, Chief Regulatory Counsel

Attachments

EXHIBIT 1

European Incentive Program for NYMEX OTC Energy Products

Program Purpose.

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

Product Scope

The following OTC Energy Products will be included in the Program ("Products"):

SYMBOL	COMMODITY NAME
BS	SINGAPORE 180CST FUEL OIL BALMO SWAP
JC	EUROPEAN JET CIF NWE V. GASOIL FUTURES SWAP
FI	1.0% FUEL OIL NWE CRACK SPREAD SWAP
1C	Brent CFD (Platts) vs. Front Month Swap Contract
6W	Brent CFD Swap
BX	SINGAPORE JET KERO BALMO SWAP
BK	WTI-BRENT (ICE) CALENDAR SWAP
DB	BRENT-DUBAI SWAP
FY	DATED-TO-FRONTLINE BRENT SWAP
GA	SINGAPORE GASOIL V. RDAM GASOIL SWAP
GZ	EUROPEAN GASOIL CRACK SPREAD SWAP
BB	BRENT FINANCIAL
CY	BRENT (ICE) CALENDAR SWAP
DC	DUBAI CRUDE OIL CALENDAR SWAP
KS	SINGAPORE JET KEROSENE SWAP
SG	SINGAPORE GASOIL SWAP
UB	DATED BRENT CALENDAR SWAP
EW	EAST/WEST FUEL OIL SPREAD SWAP
FS	FUELOIL SWAP
GX	EUROPEAN GASOIL (ICE) CALENDAR SWAP
SD	SINGAPORE FUEL OIL SPREAD SWAP
UV	EUROPEAN 3.5% FUEL OIL RDAM CALR SWAP
BA	BRENT CRUDE OIL APO

Eligible Participants

NYMEX may select up to twenty (20) participants for the Program. Participants can be a NYMEX member or non-member trading firm. In determining whether or not a prospective applicant is selected to participate in the Program, NYMEX staff may take into account a variety of factors including, but not limited to, the prospective participant's overall experience, and historical volume cleared, in the Products and experience in other energy contracts cleared through the Clearing House.

Program Term

Start date is November 15, 2011. End date is December 31, 2011.

Hours

N/A

Program Incentives:

Once accepted into the Program, participants will be eligible to participate in reduced clearing fee incentives whereby participants will be charged a reduced fee rate for the Products cleared through the Clearing House. The reduced fee levels are predetermined by NYMEX.

Monitoring and Termination of Status

NYMEX 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.