



New York Mercantile Exchange

NYMEX/COMEX. Two divisions, one marketplace

May 18, 2005

Jean A. Webb
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: CESR/CFTC Work Programme

Dear Ms. Webb:

The New York Mercantile Exchange (“NYMEX” or the “Exchange”) is pleased to have the opportunity to comment upon the proposed work plan of the Committee of European Securities Regulators and the Commodity Futures Trading Commission that is intended to facilitate the conduct and supervision of trans-Atlantic derivatives business (the “Plan”).

NYMEX is a premier global exchange for the trading of physical commodities. Our flagship energy and metals contracts serve as global benchmarks in their respective industries and consequently trading on the Exchange plays an important role in the global economy. NYMEX has been an important product innovator in the energy industry with its successful introduction of NYMEX ClearPortsm Clearing, a mechanism whereby contracts executed off-exchange are cleared by the NYMEX clearinghouse. NYMEX has also taken great strides to create a global footprint. Our electronic trading systems provide access to our products from numerous foreign jurisdictions, including the United Kingdom, Singapore, and Japan. NYMEX currently operates a branch in Dublin, Ireland and an affiliate, NYMEX Europe Limited, has applied to the U.K. Financial Services Authority for recognition as a Recognised Investment Exchange in London. We also continue to explore additional ways in which to expand the ability of our clearinghouse on a global level.

In performing these endeavors, the Exchange has had a valuable opportunity to review the trans-Atlantic regulatory processes and procedures from the perspective of an operator of an exchange on both sides of the Atlantic. Consequently, we believe that the dialogue being conducted is crucial to both our growth and the growth of the derivatives industry in general.

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The New York Mercantile Exchange, Inc., is composed of two divisions. The NYMEX Division offers trading in crude oil, heating oil, unleaded gasoline, natural gas, electricity, propane, platinum and palladium. The COMEX Division offers trading in gold, silver, copper, aluminum, and the FTSE Eurotop 100[®] index, and the FTSE Eurotop 300[®] index.

In general, NYMEX agrees with the substantive issues identified in and the proposed timelines set forth in the proposed Plan. We do, however, have certain specific comments on the Plan.

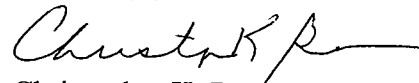
The Plan must emphasize the continuing need to engage all participants in an ongoing active dialogue. As noted above, as a market operator with experience in both the U.S. and Europe, NYMEX believes that it, as well as the other exchanges, have valuable insights and will assist both CESR and the CFTC in achieving workable, practical solutions. An approach that does not fully incorporate views of those affected risks not accomplishing the desired goals.

The most relevant discussion to market operators relates to simplified access or recognition procedures. We believe that all of the discussion points presented in the Plan encompass those issues that are essential to an exchange, namely a review of scope and uniformity of information to be provided both pre- and post-recognition as well as an examination of the applicability of substituted compliance. A thorough vetting of these principles could have significant impact on the ability of NYMEX, as well as other market operators, to operate more expeditiously and efficiently on a global level.

On a smaller point, we believe that the first sentence of Section I should also include "market operators." While obviously the intent of the Plan, it should be clarified that enhanced transparency and clarity of regulatory requirements should also be provided to potential market operators who wish to do business in various jurisdictions.

NYMEX commends CESR and the CFTC for taking on these important issues and for issuing its communiqué. NYMEX very much appreciates the opportunity to comment on this critical proposal. As always, should you have any questions or require additional follow-up information, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Christopher K. Bowen", with a stylized flourish at the end.

Christopher K. Bowen
General Counsel and
Chief Administrative Officer