

RECEIVED  
C.F.T.C.

AUG 22 AM 11:42

OFFICE OF THE SECRETARIAT

**BY ELECTRONIC TRANSMISSION**



World Financial Center  
One North End Avenue, 13<sup>th</sup> Floor  
New York, New York 10282

07-49

August 22, 2007

Mr. David A. Stawick  
Secretary of the Commission  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

**Re: Procedures for Cotton No. 2 Daily Price Limit -  
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6**

Dear Mr. Stawick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commission Regulation 40.6, the Board of Trade of the City of New York, Inc. ("Exchange") submits, by written certification, the electronic trading procedures the Exchange is implementing with respect to the Cotton No. 2 futures contract daily price limit. The procedures are as follows:

- (1) If the three-cent daily price limit is reached in any futures contract month, all electronic trading of that month and spread trades in which such month is a leg may be halted. The decision to halt such trading will be made by the Exchange and will be based upon market conditions at the time the limit is reached.
- (2) Floor trading of that month (at or within the three-cent daily price limit) will continue and will not be affected by a halt of electronic trading in that month.
- (3) The Exchange will use the communication capabilities of the electronic trading system and of the Exchange's web site to communicate any action that will be or has been taken, and to provide current information on the status of the market following such action.

(4) If the electronic trading halt occurs in all contract months:

- (a) after floor trading has closed for the day, electronic trading will resume at the start of the floor trading session on the next business day;
- (b) while floor trading is open, the Exchange will determine when to reopen the electronic market based on its assessment of trading in the open outcry market, including the prices, volume, depth of bids and offers on the floor, and any other factors it deems relevant under the specific circumstances prevailing at the time; or
- (c) prior to the start of the floor trading session, the Exchange will make a determination using the factors as described above in paragraph (b).

(5) If the electronic trading halt occurs for one or more contract months, but not all months, the Exchange shall determine when trading in that month or months will resume using the kind of information stated in paragraph 4(b) above. Prior to any resumption in trading, a notice will go out to market participants as described in paragraph (3) above.

The Exchange certifies that the procedures comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder. The procedures become effective immediately.

If you have any questions or need further information, please contact me at 212-748-4084 or at [jill.fassler@nybot.com](mailto:jill.fassler@nybot.com).

Sincerely,

Jill S. Fassler  
Vice President  
Compliance Counsel

cc: Riva Adriance  
Thomas Leahy  
CFTC, Division of Market Oversight  
Allen Cooper  
CFTC, New York Regional Office