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OFFICE OF THE SECRETARIAT

**ICE** FUTURES U.S.  
World Financial Center  
One North End Avenue  
New York, New York 10282

**BY ELECTRONIC TRANSMISSION**

Submission 07-67  
November 16, 2007

Mr. David 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: Amendments to Rules 21.02 and 27.11 and Emerging Areas Market Maker Program - 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, ICE Futures U.S., Inc. ("Exchange") submits, by written certification, amendments to Rules 21.02 and 27.11, attached as Exhibit A, and amendments to the Emerging Areas Market Maker Program.

**Disciplinary Rule 21.02**

Electronic Trading Rule 27.05(a)(i) requires Floor Brokers to register the clerks they authorize to submit orders for electronic execution with the Exchange and obtain from the Exchange a unique log-in identification for each clerk. Amendments to Disciplinary Rule 21.02 give the Vice President of Market Regulation, or his designee, the authority to impose a summary fine on any Floor Broker who fails to comply with the registration requirements required by Rule 27.05(a)(i).

**Electronic Trading Rule 27.11**

Amendments to Electronic Trading Rule 27.11 permit the entry and execution of orders to Trade at Settlement ("TAS") on the ICE electronic platform ("ETS") in markets specified by the Exchange from time to time. TAS orders allow market participants to buy or sell a stated quantity of contracts at the settlement price for the trading session. The Exchange will initially implement TAS orders in Cotton No. 2 and FCOJ futures contracts to provide market

participants with an ETS function similar to Average Price Orders that are executed by open outcry on the trading floor in those markets.

Emerging Areas Market Maker Program

The Exchange recently adopted an Emerging Areas Market Maker Program (“Program”) that would allow up to five proprietary trading entities that are new to the Exchange’s products and that are based in areas outside of the United States and Western Europe to qualify as participants (see Submission 07-66). Participants in the Program are entitled to receive reduced Exchange and Clearing fees if they meet certain eligibility criteria. The amendments allow traders and firms located in Western Europe to participate in the Program as well. In addition, the amendments rename the Program the Foreign Market Maker Program and limit the Program to a period of three (3) years. The new Agreement is attached as Exhibit B.

The Exchange certifies that the amendments comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder. No substantive opposing views were expressed by members or others with respect to the amendments or resolution.

The amendments were adopted by the Exchange’s Board of Directors on November 14, 2007 and will become effective on Monday, November 19, 2007.

If you have any questions or need further information, please contact me at (212) 748-4021 or at [jason.fusco@theice.com](mailto:jason.fusco@theice.com).

Very truly yours,

Jason V. Fusco  
Assistant General Counsel  
& Market Regulation Counsel

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

(In the text of the amendments below, additions are underlined and deletions are bracketed and lined out.)

**Rule 21.02. Compliance Staff — Powers and Duties**

\* \* \*

(e) Notwithstanding the provisions of paragraph (d) of this Rule, if in any case, the Vice President concludes that a violation of any trading card or order ticket record keeping rule, or a violation of Rule 4.25(b) for which the Floor Committee has not taken any action may have occurred, the Vice President may impose a summary fine of no more than one thousand dollars (\$1,000) after one (1) warning letter has been issued to the Member for the same violation, and, if in any case, the Vice President concludes that a violation of Rule 27.05(a)(i) may have occurred, the Vice President may impose a summary fine of no more than one thousand dollars (\$1,000). The authority to impose such a summary fine does not limit the Vice President's authority to refer the matter to the BCC instead of imposing a summary fine. A summary fine imposed in accordance with this paragraph shall become final and effective and payment shall become due and owing to the Exchange fifteen (15) calendar days after the Member receives the fine.

**27.11. Acceptable Orders**

(a) An ETS order shall be in one of the following order types:

\* \* \*

(iv) "Trade At Settlement orders" – Trade At Settlement ("TAS") orders are orders to buy or sell a stated quantity at the Trading Session's Settlement Price. TAS orders may be submitted only for those Commodity Contracts and delivery months and during such time periods as specified by the Exchange from time to time.

[REMAINDER OF RULE UNCHANGED]

**EXHIBIT A**

**TO: ICE Futures U.S.**

This Application and Agreement is submitted by \_\_\_\_\_ (“Market Specialist”), which is based in \_\_\_\_\_, to become a Market Specialist for ICE Futures U.S. (“ICE Futures”) in order to provide a liquid and orderly marketplace for the ICE Futures and/or Options Contracts traded on the ICE electronic trading system (the “Designated Contracts”).

The Market Specialist understands and agrees that:

1. It will execute all documents and agreements required by ICE Futures in order that the Market Specialist is able to input orders into the ICE electronic trading system.
2. It will use its best efforts to continuously maintain in the appropriate Designated Contracts a current bid and offer as specified in Schedule A, which is attached and made a part of this Application, for the hours specified in Schedule A.
3. It will make and conduct all trading activity as a Market Specialist through the Market Specialist’s proprietary account which the Market Specialist will identify to appropriate ICE Futures personnel.
4. For the first six (6) months from the Effective Date, the Market Specialist will be entitled to the following schedule of Exchange transaction fees for all trades executed on the ICE electronic trading system in the appropriate Designated Contract for the account(s) identified in accordance with paragraph 3 above:

Monthly Volume	Agricultural Products	USDX and Stock Indexes (Full Size)	Currency Pairs and Stock Indexes (Mini Size)
0-10,000 contracts	\$1.75	\$1.35	\$0.94
10,001 to 90,000 contracts	\$0.90	\$0.70	\$0.50
Over 90,000 contracts	\$0.40	\$0.35	\$0.20

5. The term of this Agreement shall be for a six (6) month period, commencing on the Effective Date. ICE Futures, in its sole discretion, may extend the term of the Agreement for a period not to exceed three (3) years. The Market Specialist further acknowledges that ICE Futures retains the right to revoke the Market Specialist’s status if ICE Futures concludes from its review that the Market Specialist is not complying with the obligations of the Market Specialist.
6. The Market Specialist further represents and affirms that it has the necessary regulatory approvals in the country or countries in which it will operate as a Market Specialist.

Effective Date: \_\_\_\_\_

ICE Futures U.S.

(Market Specialist)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT B**

**SCHEDULE A**

Product: \_\_\_\_\_

	Front Month	Second Month	Third Month	Calendar Spread
Bid/Offer Spread				
Size				
Trading Hours				

Product: \_\_\_\_\_

	Front Month	Second Month	Third Month	Calendar Spread
Bid/Offer Spread				
Size				
Trading Hours				

Product: \_\_\_\_\_

	Front Month	Second Month	Third Month	Calendar Spread
Bid/Offer Spread				
Size				
Trading Hours				

Product: \_\_\_\_\_

	Front Month	Second Month	Third Month	Calendar Spread
Bid/Offer Spread				
Size				
Trading Hours				

I hereby agree that the above bid/offer spreads and trading hours listed for certain of the above ICE Futures US Commodity Contracts are the spreads I, as a Market Specialist, will use its best efforts to maintain in accordance with paragraph 2 of the Market Specialist Application.

Date: \_\_\_\_\_

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

**Clearing Member Information**

Name: \_\_\_\_\_

Acct #: \_\_\_\_\_

CM Contact: \_\_\_\_\_

Phone or email: \_\_\_\_\_