U.S. COMMODITY FUTURES TRADING COMMISSION
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Division of
Market Oversight

January 24, 2008

Mr. Tim Barry
Vice President
Product Development
ICE Futures U.S., Inc.
World Financial Center
One North End Avenue
New York, New York 10282

Subject: Information request concerning the listing by ICE Futures U.S., Inc. of Robusta Coffee futures and options contracts (ICE-U.S. Submission 07-56)

Dear Mr. Barry:

In the filing dated September 12, 2007, ICE Futures U.S., Inc. (ICE-U.S. or Exchange) submitted to the Commission under the self-certification procedures of Section 5c(c) of the Act and Commission Regulation 40.2 the terms and conditions of the Robusta coffee futures and options contracts, including speculative position limits.

To assist the Division in performing its due diligence review of the ICE-US Robusta futures contract's compliance with Core Principles 3 (Contract Not Readily Susceptible to Manipulation) and 5 (Position Limits and Accountability) of the Commodity Exchange Act, we would appreciate some additional information on deliverable supplies for this contract as described below. This request is being made pursuant to Commission Regulation 40.2(b). A response is requested by Friday, February 1, 2008.

In its September 12, 2007, certification, the Exchange stated the following:

> In accordance with [Commission] Regulation 150.5(b), the Exchange has set the speculative position limit any one person may own or control on one side of the market in any one month or all months combined at one thousand (1,000) contracts and the spot month limit at three hundred (300) contracts. Commission guidelines direct that the Spot Month Limit must be set at a level that does not exceed 25% of estimated deliverable supply of the product as determined for each delivery month. As a measure of available deliverable supply, staff analyzed month-end deliverable stocks for the LIFFE Robusta futures contract. From the stocks data available on the LIFFE website, staff first excluded the stocks in store in LIFFE delivery points that are not allowed on the ICE Robusta contract, and then converted the remaining data which was expressed in terms of the LIFFE 5-metric ton contract into ICE-equivalent 37,500 pound contract terms. As measured over the past twelve calendar months in ICE equivalent contract terms, the

maximum stocks equaled 5,494 contracts, the minimum stocks equaled 3,722 contracts and the average stocks equaled 4,257. Based on the data analyzed, the proposed Spot Month Limit level of 300 contracts is appropriated [sic] for the new contract.

We note that the ICE-US has been posting the level of ICE-US certificated stocks by delivery location on its website since the end of October 2007. These stocks levels are very low, and it would appear that ICE-US will need to rely on certificated LIFFE stocks becoming deliverable on the ICE-US futures contract should significant delivery demand warrant, at least for the near term. In light of this and the representation you made in your September 17, 2007, certification cited above, please provide us with the following information regarding the availability of LIFFE stocks for delivery on the ICE-US futures contract.

- ★ Please describe the process by which LIFFE-certificated Robusta coffee stocks can be certified for delivery on the ICE-US Robusta coffee futures contract. Please include information on the cost and time required to achieve this outcome.
- ★ Please describe what procedures or provisions, if any, exist to facilitate the delivery of LIFFE-certificated stocks on the ICE-US Robusta futures contract.
- ★ Please provide a list of ICE-US approved and LIFFE-approved warehouses by location.
- ★ Taking into account your responses to the preceding, please provide an updated estimate of deliverable supply. To the extent practicable, please provide this estimate by contract month, for a period of two calendar years.
- ★ In view of the above, please confirm whether your spot-month speculative position limit of 300 contracts complies with Commission Regulations.

If you have any questions regarding this request, please contact John Forkkio at 202-418-5281, Martin Murray at 202-418-5276, or me at 202-418-5278.

Best regards,

Thomas M. Leahy
Associate Director
Product Review Branch