



World Financial Center  
One North End Avenue  
New York, New York 10282

**BY ELECTRONIC TRANSMISSION**

Submission No. 13-25  
March 7, 2013

Ms. Melissa Jurgens  
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 Licensing Rule 7.17**  
**Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6**

Dear Ms. Jurgens:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commission Regulation 40.6(a), ICE Futures U.S., Inc. (“Exchange”) self certifies the amendments to Exchange Licensing Rule 7.17 set forth in Exhibit A and described below. The amendments codify procedures to prevent specific lots of graded coffee or cocoa and ungraded commercial lots for which an electronic warehouse receipt (“EWR”) has been issued, which are stored in Exchange licensed warehouses and have potentially sustained damage, from being delivered under an Exchange Futures Contract or submitted for grading, respectively, until the product is determined to be sound.

All graded coffee and cocoa stored in an Exchange licensed warehouse is tracked using an automated document management and title transfer system called eCOPS®. An EWR is issued in the system for every graded lot and for certain commercial lots stored in an Exchange licensed warehouse. The Exchange has the ability to identify or “flag” in eCOPS the EWRs corresponding to specific lots of coffee and cocoa which may be subject to damage as a result of weather events or facility issues, such as floods or fires. Flagging the affected product keeps it from being the subject of a delivery notice (if the lot was already certified) or from being graded in furtherance of delivery (if it is a commercial lot not previously certified), until a determination can be made by the warehouse and the Exchange as to whether the product is sound. The flag thus temporarily maintains the status quo until more facts can be ascertained and the soundness of the product reviewed before delivery can proceed. Flagging is appropriate in instances where a moratorium on an entire facility may not be appropriate based on available information, or in which immediate action is necessary before a moratorium can be declared by the Warehouse and License Committee or the Board pursuant to the Rule. Consequently, product may be flagged independent of a moratorium being put in place, and flagging may also remain in place after a moratorium has been imposed and lifted.

The substantive amendments, which are reflected in new paragraph (a)(iii)(D) of Rule 7.17, provide two different circumstances under which the Exchange may flag product in eCOPS as undeliverable. First, upon receipt of a report of damage or non-compliance with Exchange standards from a warehouse operator, the Exchange may flag the affected lots of coffee or cocoa. While it is

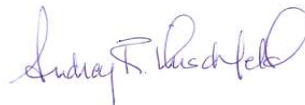
typically the case that a warehouse operator will report such damage to the Exchange, there have also been circumstances in which the warehouse operator was unable to do so, and the Exchange was unable to reach the warehouse due to storm damage in the relevant port. Therefore, the rule also provides for product to be flagged if the Exchange has reason to believe that it may have sustained damage. The rule provides for Board review of any decision to flag EWRs within five business days, which would allow the Exchange to collect further information regarding the condition of the product during that period. The rule amendment also authorizes the Exchange to lift the restriction prior to the Board meeting if it is determined that no product was damaged. In such case, there would no longer be any reason for Board review, as the question of whether to continue or release the flagged status will have been resolved.

The other amendments re-sequence provisions already contained in the Rule, but do not affect their substance.

The amendments will become effective March 25, 2013. The Exchange certifies that the rule amendments comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder. The Exchange is not aware of any substantive opposing views expressed with respect to the amendments. The Exchange further certifies that concurrent with this filing, a copy of this submission was posted on the Exchange's website, which may be accessed at (<https://www.theice.com/notices/Notices.shtml?regulatoryFilings>).

If you have any questions or need further information, please contact the undersigned at 212-748-4083 or [audrey.hirschfeld@theice.com](mailto:audrey.hirschfeld@theice.com).

Sincerely,



Audrey R. Hirschfeld  
SVP and General Counsel

cc: Division of Market Oversight  
New York Regional Office

## EXHIBIT A

### Rule 7.17. Suspension and Cancellation

(a)(i) The Board or the Warehouse and License Committee may, in its sole and absolute discretion, with or without cause, suspend or cancel at any time any license granted or renewed, including without limitation any license issued to a Licensed Store pursuant to the Rules.

(ii) The Board may, in its sole and absolute discretion, with or without cause, suspend or cancel at any time any warehouse or tank facility operator's license issued pursuant to the Rules.

(iii) ~~(A) The Board or the Warehouse and License Committee may, in its sole and absolute discretion, declare a moratorium on the receipt or delivery of certificated cocoa, coffee, cotton or FCOJ by or from any Licensed Stores if it has reason to believe that such Licensed Stores are not in compliance with the Rules and the warehouse or tank facility operator that is the Licensee of such Licensed Stores agrees to take such measures as are necessary to bring them into compliance within the period of time specified by the Board or the Committee. [Notwithstanding the preceding sentence, the Warehouse and License Committee may not declare such a moratorium if, in its judgment, such action is likely to have a material effect upon the price of any Commodity Contract or might otherwise have a material impact on the market for such Commodity Contract. In the event that a moratorium is declared hereunder, the certification of any Commodity held in its Licensed Stores as to which such moratorium is declared, shall be prohibited until such moratorium is terminated.]~~

(B) Prior to determining whether a moratorium should be declared, the Exchange shall provide one (1) Business Day's notice to the Licensee of the affected stores and shall forward to the deliberating body such information as the Licensee furnishes. Any moratorium declared hereunder shall not exceed sixty (60) days if declared by the Warehouse and License Committee. The imposing body may shorten the duration of, or terminate, any moratorium declared hereunder if the Licensee demonstrates to the Exchange that the affected Licensed Stores are in full compliance with the Rules. The Warehouse and License Committee may not declare a moratorium if, in its judgment, such action is likely to have a material effect upon the price of any Commodity Contract or might otherwise have a material impact on the market for such Commodity Contract.

(C) In the event that a moratorium is declared hereunder, the certification of any Commodity held in any Licensed Stores as to which such moratorium is declared, shall be prohibited until such moratorium is terminated. Nothing contained herein shall be deemed to prohibit the owner of any Commodity stored in a Licensed Store as to which a moratorium has been declared, from moving the Commodity, at the owner's sole expense, to another location. [Prior to determining whether a moratorium should be declared, the Exchange shall provide one (1) Business Day's notice to the Licensee of the affected stores and shall forward to the deliberating body such information as the Licensee furnishes.]

(D) Notwithstanding the foregoing subparagraphs, the Exchange may flag in eCOPS as undeliverable under a Coffee "C" or cocoa futures contract, any coffee or cocoa which the Exchange has reason to believe may have sustained damage or which is stored in a Licensed Store as to which a report of damage or non-compliance with Exchange standards has been received. Unless the Board determines otherwise in a particular case, the Exchange may lift the flag from any Lot as to which action has been taken in accordance with the preceding sentence, upon the earlier to occur of (1) the affected Lot having been examined and declared sound by the warehouse operator or (2) such time as the Exchange, in its discretion, shall determine. Any action taken by the Exchange to flag Coffee "C" or cocoa pursuant to this paragraph shall be reviewed by the Board within five (5) Business Days of such action, unless the Exchange has lifted the flag within such five day period.

[REMAINDER OF RULE UNCHANGED]