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

BY ELECTRONIC TRANSMISSION

Amended Submission No. 12-10
March 16, 2012

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

Re: **Amendments to Cotton No. 2® Rule 10.22(e)(i) – Premiums and Discounts**
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, an amendment to Cotton Rule 10.22(e)(i), attached as Exhibit A, which provides that USDA commercial premiums and discounts be recognized for deliveries of 36 and higher staple cotton.

The "staple" corresponds to the length of cotton fiber, measured in 32nds of one inch. For example, a 35 staple is 1 and 3/32nds of one inch and a 36 staple is 1 and 4/32nds of one inch. Currently Cotton Rule 10.22 provides for the use of USDA premiums and discounts for deliveries of 35 and higher staple. Deliveries of 36 and higher staple are invoiced using the 35 staple difference, receiving no additional premium.

Over the past several seasons, approximately 25% of the US cotton crop has been 36 staple or longer. As such, the Exchange is amending Rule 10.22(e)(i) to cause the delivery terms for the Cotton No. 2 contract to more closely match commercial market terms.

The Exchange certifies that the rule amendment complies with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder. The Exchange has reviewed the designated contract market core principles as set forth in the Commodity Exchange Act and has determined that the amendment to Rule 10.22 is compliant.

The Board of Directors unanimously adopted the amendments on March 1, 2012. No opposing views were expressed by members or others with respect to the amendments, which will become effective on April 2, 2012, for the first delivery month in a new crop year with no open interest, currently the December 2014 contract.

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/RegulatoryFilings.shtml).

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

Sincerely,

Jason V. Fusco

Assistant General Counsel
Market Regulation

Enc.
cc: Division of Market Oversight
New York Regional Office

Exhibit A

(In the text of the amendment below deletions are shown in brackets and lined through.)

Rule 10.22. Invoicing and Grade and Staple Differences

(a) In the case of cotton being tendered against the Cotton No. 2 Futures Contract, it shall be invoiced by calculating in bale units the average value on or off color grade of strict low middling white (41), leaf grade 4, staple length 1-1/16 inch (34), micronaire 3.5 to 4.7, Grams Per Tex of twenty-five (25.0) or higher and adding or deducting such average premium or discount to or from the notice price and figuring the net weight of the total quantity being invoiced (deliverable weight less weight allowance) by the price ascertained in the manner outlined.

(b) Premiums and discounts will be the USDA premiums and discounts adjusted in accordance with paragraphs (d) and (e) below for the specified Notice Day.

(c) Grade, staple and micronaire differences for deliveries on the Cotton No. 2 Futures Contract shall be based on commercial differences determined in accordance with the United States Cotton Futures Act and the regulations thereunder, as from time to time amended, as provided in paragraphs (d) and (e) of this Rule.

(d)(i) The notice price shall be the invoice price for all cotton with a color grade of Strict Low Middling White (41), leaf grade 4, staple length of 1-1/16 inch (34), Micronaire 3.5 to 4.7, and Grams Per Tex of twenty-five (25.0) or higher. Additions and deductions for other deliverable grades shall be made at the average of the differences quoted on the sixth (6^{th}) Business Day prior to the Date of Delivery for corresponding grades in the spot markets designated by the Secretary of Agriculture for the purpose of quoting grade differences in accordance with the United States Cotton Futures Act and the regulations issued thereunder.

(ii) If delivery is made pursuant to delayed certification class, all premiums, discounts and weight allowances shall be based on the last regular delivery day not the date of physical delivery of the documents.

(e)(i) An addition shall also be made for each bale having a staple of one and three thirty-seconds of an inch [~~or longer~~], which shall be equal to the full average premium for like staple over one and one-sixteenth of an inch staple quoted on the sixth (6^{th}) Business Day prior to the Date of Delivery, (except in delayed certification) in such of the spot markets above referred to as do quote staple differences. <u>An addition shall also be made for each bale having a staple of one and four thirty-seconds of an inch or longer, which shall be equal to the full average premium for like staple over one and one-sixteenth of an inch staple quoted on the sixth (6^{th}) Business Day prior to the Date of Delivery, (except in delayed certification) in such of the spot markets above referred to as do quote staple differences.</u> A deduction shall also be made for each bale having a staple of one and one thirty-second of an inch, which shall be equal to two hundred percent (200%) of the full average discount for like staple under one and one-sixteenth of an inch quoted as aforesaid.

(Balance of the Rule unchanged.)