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OFFICE OF THE SECRETARIAT
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BY ELECTRONIC TRANSMISSION

Submission No. 10-19
April 23, 2010

Mr. David A. 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 Rules 10.27A, 10.28 and 10.40 -
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.4(b)**

Dear Mr. Stawick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commission Regulation 40.4(b), ICE Futures U.S., Inc. ("Exchange") submits, by written certification, amendments to Rules 10.27A, 10.28 and 10.40, attached as Exhibit A.

Rules 10.27A and 10.28

At the request of the USDA, the Exchange amended Rules 10.27A and 10.28. The amendments make it clear that samples being sent to the USDA for bale certifications must comply with USDA sampling regulations, and that the procedures listed in Rule 10.28 apply only to duplicate samples that are held by either the Deliverer or the Receiver.

Rule 10.40

The amendment to Rule 10.40 restores an exception to the cotton default provisions. The language had been inadvertently dropped when the default procedures had been amended in 2008 (see Submission No. 08-63). The amendment provides that certain default provisions will not apply to non-conforming cotton with respect to grade, staple or type when the Clearing Member issues a Delivery Notice based on a delayed certification.

The Exchange deems the amendments to Rules 10.27A and 10.28 to be non-material changes to the trading of Cotton No. 2 because the amendments clarify procedures that are already in effect. The Exchange deems the amendment to Rule 10.40 to be a non-material change to the trading of Cotton No. 2 as the amendments just restore language that was inadvertently dropped.

The Exchange certifies that the amendments comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder.

The amendments were adopted by the Exchange's Board of Directors on April 23, 2010 and will become effective on May 5, 2010. No substantive opposing views were expressed by members or others with respect to the amendment.

If you have any questions or need further information, please contact me at 212-748-4084 or at jill.fassler@theice.com.

Sincerely,

Jill S. Fassler
Vice President
Associate General Counsel

cc: Division of Market Oversight
New York Regional Office

EXHIBIT A

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

Rule 10.27A. Inspection and Sampling

(a) The inspection and sampling of cotton offered for inspection shall be subject to and done in accordance with the Rules and the regulations promulgated by the Secretary of Agriculture in force at the time of such inspection and sampling. The original samples of all bales submitted for certification become the property of the United States Department of Agriculture.

[REMAINDER OF RULE UNCHANGED]

Rule 10.28. Duplicate Samples

(a) All matters with respect to duplicate samples shall be governed by this Rule together with such other Rules as are from time to time adopted by the Board. All Deliverers and Receivers must follow the procedures set forth in the Deliverer's and Receiver's Guide of the Exchange. Duplicate samples of each bale tendered shall be held or shipped according to the Receiver's instruction demand letter. If the Receiver does not know his Customer's intent regarding the duplicate samples, he shall instruct the Deliverer to hold ~~the~~ such samples.

(b) Any delivery outside the delivery point shall be at the Receiver's expense. Each duplicate sample shall be placed in a bundle or sack with about fifty (50) samples to the bundle or sack with no more than two (2) bundles or sacks per contract.

~~(c) [Two (2) sets of samples shall be drawn in accordance with the Rules and the regulations promulgated by the Secretary of Agriculture.]~~

~~(d) The duplicate samples shall be the property of the holder of the EWR. [The original samples of all bales submitted for certification become the property of the United States Department of Agriculture.]~~

~~(e)~~ Each duplicate sample must consist of two (2) portions, one (1) drawn from each side of the bale. Each portion should be as near six (6) inches wide and twelve (12) inches long as possible. Each portion must weigh a minimum of two (2) ounces each. Samples should not be drawn from old sample holes.

~~(f)~~ An official Warehouse Bale Tag Coupon issued by the warehouse shall be located inside each duplicate sample. The tag list must be in one (1) of the bundles or sacks.

~~(g)~~ Duplicate [S]samples shall be delivered in contract units with the contract number clearly marked on each bundle. The contract number set forth on the "sample bundle" or any other document relating to a Cotton No. 2 Futures Contract delivery shall not be altered or changed where said cotton in its entirety is being redelivered during the contract month.

~~(h)~~ The Receiver of duplicate samples must provide to the Deliverer a written receipt evidencing the time, date, place and number of bundles/or sacks received. In the event that the Deliverer of mis-marked samples can provide a written receipt to the Exchange that demonstrates the mis-marked samples were delivered within the time provided in the Rules and a notice of correction of the mis-marking was also delivered timely, then no penalty shall apply.

~~(i)~~ The weight of each duplicate sample shall be not less than four (4) ounces. Any duplicate sample weighing less than four (4) ounces shall be considered inadequate; payment by the Deliverer for each inadequate sample shall be the same as for each missing sample.

~~(j)~~ Samples, if requested, must be sent to the Receiver by the second (2nd) Business Day after the Date of Delivery. If samples are sent on the third (3rd) Business Day, they shall be considered late. If they

are sent past the third (3rd) Business Day, they shall be considered missing. The Receiver pursuant to this Rule shall have no obligation to return late samples to the Deliverer.

([k]j) If the Ultimate Receiver fails to acknowledge ownership of the duplicate samples and fails to accept financial responsibility for the charges at the warehouse at the point of storage, the warehouseman in the possession of the duplicate samples shall not be responsible for the samples beyond the fifteenth (15th) Business Day of the month following the delivery month.

([k]k) "Claims" shall be defined as a written document submitted to the opposite Clearing Member and a copy to the Cotton Delivery Committee containing the Date of Delivery, contract numbers, the amount of money claimed, i.e., penalties, etc., the Rule violation and a detailed explanation for the Claim.

[REMAINDER OF RULE UNCHANGED]

Rule 10.40. Defaults in Delivery and Delivery of Nonconforming Cotton

* * *

(c) For the purposes of this Rule, the term "Delivery of Nonconforming Cotton" shall mean the tender of EWRs, invoice, or tag lists which do not conform to the cotton set forth in the Delivery Notice. The error(s) must be easily correctable, and the tender must otherwise meet all of the requirements for a good delivery pursuant to the Rules. Once the error(s) has been corrected, the Receiver must be able to retender said cotton without penalty. The Delivery of Nonconforming Cotton includes, but is not limited to, the following:

(i) tendering of EWRs which do not conform to the cotton set forth in the Delivery Notice with respect to color grade, leaf grade, staple, micronaire, or strength ("Nonconforming Description");

(ii) tendering of EWRs which do not conform to the cotton set forth in the Delivery Notice with respect to growth ("Nonconforming Growth");

(iii) tendering of EWRs for cotton warehoused at a Delivery Point other than the Delivery Point set forth in the Delivery Notice, provided that all cotton tendered is stored in one warehouse ("Nonconforming Delivery Point"); and/or

(iv) tendering of EWRs for a greater or lesser number of bales than the number set forth in the Delivery Notice ("Bale Variance").

The provisions of this paragraph (c) shall not apply with respect to grade, staple or type (rain grown or non-rain grown) to a Clearing Member who issued a Delivery Notice on delayed certification in accordance with the Rules; provided the grade, staple and type set forth in said Delivery Notice is in accordance with the Clearing Member's best information and belief.

[REMAINDER OF RULE UNCHANGED]