

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

**BY ELECTRONIC TRANSMISSION**

Submission No. 12-32  
June 19, 2012

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: **Amendment to Rule 6.16 – Elimination of Spec-Hedge Report  
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(a), ICE Futures U.S., Inc. (“Exchange”) submits an amendment to Regulatory Rule 6.16, attached as Exhibit A, which eliminates the weekly Spec-Hedge Report that is currently published for Cotton No. 2 and FCOJ contracts.

The Spec-Hedge Report provides a weekly breakdown of the percentage and size of the long/short positions held aggregately by speculators and hedgers. It is compiled from weekly reports provided by Exchange Clearing Members and is based on how accounts are classified on the books of the Clearing Members for purposes of margin (speculative or hedge). The Spec-Hedge Report was initially developed to provide information about market participants on a more frequent basis than the Commitment of Traders Report (“COT”) published by the CFTC. At the time, the COT was published on a bi-weekly basis.

While the two reports utilize different methodologies, the COT is now published on a weekly basis and is provided in several different versions, making the Spec-Hedge report somewhat less relevant. Several clearing members expressed concern about the burdens of providing the data underlying the Exchange report and questioned the need for the report given the current status of the COT. The Cotton Committee did not oppose the elimination of the report; several members of the FCOJ Committee opposed its elimination because, to them, it provides useful information which differs somewhat from the COT report.

The amendment was unanimously adopted by the Board of Directors and will become effective on July 5, 2012.

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 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](mailto:jason.fusco@theice.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Jason V. Fusco". The signature is written in a cursive style with a large initial "J" and a long horizontal stroke at the end.

Assistant General Counsel  
Market Regulation

Enc.

cc: Division of Market Oversight  
New York Regional Office

## EXHIBIT A

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

### **Rule 6.16. Reserved [~~Spec Hedge Report for Cotton No. 2 and FCOJ Contracts~~]**

~~Each Clearing Member shall file with the Exchange on the first (1<sup>st</sup>) Business Day of each week an accurate report of the gross long and gross short positions in Cotton No. 2 Contracts and FCOJ Contracts held by it as of the close of business on the previous Business Day in such form as may be furnished by the Exchange. The information furnished by the Clearing Members will be utilized by the Exchange to prepare a weekly consolidated report of all open positions (“Spec Hedge Report”) which will be published by the Exchange.]~~