

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

**BY ELECTRONIC TRANSMISSION**

C.F.T.C.  
OFFICE OF THE SECRETARIAT

2010 SEP 10 PM 3 00

Submission No.10-35  
September 10, 2010

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: **New Russell Mini Futures Market Maker Program and New Russell Contract Individual and Member Firm Fee Programs - 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, a new Russell Mini Futures Market Maker and new Russell Contract Individual and Member Firm Fee Programs.

As of December 31, 2010, the current Russell Mini Futures Market Maker Program and the current Russell Contract Individual and Member Firm Fee Programs (see Submission Nos. 09-42, 10-17 and 10-27) will terminate. Beginning January 1, 2011, the Exchange will implement new programs the terms and conditions of which follow below.

New Russell Mini Futures Market Maker Program ("Russell Mini MMP")

The terms of the new Russell Mini MMP are:

*Eligibility:* Open to all proprietary trading participants, who must agree to make two-sided markets in three or four Russell Complex futures contracts [the Russell 1000 Index Mini ("R1"), the Russell 1000 Volume Index Mini ("R1V"), the Russell 1000 Growth Index Mini ("R1G") and the Russell 2000 Index Mini ("R2")] on the electronic trading platform for a substantial part of the trading day. Applicants will be approved based upon their demonstrated track record in trading and market making in products traded at the Exchange and other exchanges.

*Threshold and Discounts:* Approved participants will be ranked based upon their market maker trading volumes for the month, with the highest-volume participant ranked Number 1, the second

highest ranked Number 2, and so on. Exchange for Physicals (“EFPs”) executed in the R2 will not be counted as volume, but EFPs executed in the R1, R1V and R1G will count towards volume. Only those participants who have traded at least 1000 contracts in the R1 and at least 1,000 contracts in the R1V and R1G combined during the month will be ranked. All other participants will receive no benefit under the new Russell Mini MMP, but may be eligible for a discounted Exchange and Clearing fee (“Fee”) under another program.

Participants ranked Nos. 1 to 5 will be charged a Fee of four cents (4¢) per side for all Russell Futures contract volume for that month;

Participants ranked Nos. 6-10 will be charged a Fee of eight cents (8¢) per side for all Russell Futures Contracts for the month; and

All other participants will receive no benefit from the Russell Mini MMP for that month.

*Term:* The new Russell Mini MMP will have an initial term from January 1, 2011 through December 31, 2011.

A copy of the new Russell Mini MMP Application/Agreement is attached as Exhibit A.

The critical differences between the current and new Russell Mini MMP are the two tiers of rankings for the discounted Fee and the number of contracts a market maker must execute in order to receive a ranking. Under the current program, the market maker only has to trade 100 contracts in each of at least three Russell Futures Contracts, and all those that qualify receive a full waiver of the Fee. The terms of the proposed fee tiering are similar to the current terms of market maker programs for both the Soft and USDX<sup>®</sup> futures contracts (see Submission Nos. 09-42 and 10-11).

#### Russell Contract Individual Member Fee Program (“Russell Individual Program”)

The Exchange has also operated a Fee program that allows individual members of several specified exchanges (the Chicago Mercantile Exchange, the Chicago Board of Trade, the Chicago Board of Options Exchange, the New York Mercantile Exchange, the International Securities Exchange and ICE Futures U.S.) a discounted Fee of thirty cents (30¢) per side on all Russell Contract volume<sup>1</sup> executed for their proprietary accounts (see Submission Nos. 09-42, 10-20 and 10-27). Approved participants are also eligible for a further discounted Fee of twelve cents (12¢) per side by trading at least 100 lots of the R1 in the month.

The new Russell Individual Program offers individual members of the same set of specified exchanges a single discounted Fee of thirty cents (30¢) per side on all Russell Contract volume. The terms of the new Russell Individual Program will have no provisions for a further discount below the thirty cent Fee, i.e. all approved participants would receive the same rate. The initial term of the new Russell Individual Program will be from January 1, 2011 through December 31, 2011.

A copy of the new Russell Individual Program Application and Agreement is attached as Exhibit B.

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<sup>1</sup> EFPs executed in the R2 are not eligible for a reduced Fee.

Russell Contract Member Firm Fee Program (“Russell Firm Program”)

The Exchange has also operated a separate fee program that allowed entities that are corporate members of the above specified exchanges a discounted Fee of sixty cents (60¢) per side on all Russell Contract volume<sup>2</sup> executed for the firms’ proprietary accounts (see Submission Nos. 09-42, 10-17 and 10-27). Approved participants are also eligible for a further discounted Fee of 30 cents (30¢) per side by trading at least 100 lots of the R1 in the month; and participants who have executed 100 contracts in the R1 are also eligible for further discounted Fees by trading 200 contracts of the R1G and R1V combined (for a twenty cent (20¢) Fee) or 400 contracts of the R1G and R1V combined (for a ten cent (10¢) Fee).

The new Russell Firm Program offers corporate members of the same set of specified exchanges the following discounted Fees for all Russell Contract volume if they meet the following monthly thresholds:

- 20¢ per side: R1 futures and options contracts – 1,000 sides and R1G and R1V future and options – 1,000 sides combined;
- 30¢ per side: R1 futures and options contracts – 1,000 sides;
- 60¢ per side: no minimum threshold.

The initial term of the program will be from January 1, 2011 through December 31, 2011. In addition, no new participants for the current program will be accepted as of October 1, 2010.

A copy of the new Russell Firm Program Application and Agreement is attached as Exhibit C.

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

The new Programs were adopted by the Exchange’s Board of Directors on September 8, 2010. They will go into effect on January 1, 2011. No substantive opposing views were expressed by members or others with respect to any of the Programs.

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

Sincerely,

Jill S. Fassler  
Vice President  
Associate General Counsel

cc: Division of Market Oversight  
New York Regional Office

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<sup>2</sup> EFPs executed in the R2 are not eligible for a reduced Fee.

## EXHIBIT A

### ICE Futures U.S.<sup>®</sup>, Inc. Russell Mini Futures Market Maker Program

This Application and Agreement is submitted by \_\_\_\_\_ (“Market Specialist”) to become a Market Specialist for ICE Futures U.S., Inc. (“ICE Futures”) in order to provide a liquid and orderly marketplace for Russell 1000<sup>®</sup> Index, Russell 2000<sup>®</sup> Index, Russell 1000 Growth Index and Russell 1000 Value Index Mini Futures Contracts traded on the ICE electronic trading system (the “Designated Contracts”).

The Market Specialist understands and agrees that:

1. It will execute all documents and agreements required by ICE Futures in order that the Market Specialist is able to input orders into the ICE electronic trading system.
2. It will use its best efforts to continuously maintain in the appropriate Designated Contracts a current bid and offer as specified in Schedule A, which is attached and made a part of this Application, for the hours specified in Schedule A. Each applicant must agree to act as a Market Specialist for at least three of the Russell Index futures contracts.
3. It will make and conduct all trading activity as a Market Specialist through the Market Specialist’s proprietary account which the Market Specialist will identify to appropriate ICE Futures personnel.
4. At the end of each month, ICE Futures will determine the Market Specialist’s total monthly volume for each of the Designated Contracts listed in Schedule A. For purposes of this calculation and in calculating any fee waiver under this program, EFPs executed in Russell 1000 Index, Russell 1000 Growth Index and Russell 1000 Value Index Mini futures contracts (“the Russell 1000 Contracts”) shall be counted as volume, and EFPs executed in Russell 2000 Index Mini futures contracts shall not be counted as volume. Each Market Specialist that has executed at least 1,000 contracts of Russell 1000 Index Mini futures volume during the month and at least 1,000 contracts combined in Russell 1000 Growth and Russell 1000 Value Index Mini futures during the month will then be ranked by ICE Futures based upon total monthly volume in all the Designated Contracts listed in Schedule A; any Market Specialist that has not met the specified volume thresholds in the Russell 1000 Contracts for the month is not eligible for a discounted fee under this program for that month.
5. Provided that the Market Specialist has met the volume thresholds specified in paragraph 4 above in the Russell 1000 Contracts and is one of the top ten (10) market specialists as described in paragraph 4 above during the calendar month, the Market Specialist shall be charged the following discounted Exchange and Clearing fee for all trades executed on the ICE electronic trading system in the appropriate Designated Contracts for the account identified in accordance with paragraph 3 above for that month:

Participants Ranked Nos. 1 to 5: \$0.04 per side

Participants Ranked Nos. 6 to 10: \$0.08 per side

All Other Participants: No fee discount under this program.

6. Each month's ranking and waiver of fees will be treated as an independent event. This program will be in effect from the Effective Date through December 31, 2011, with the Market Specialist acknowledging that ICE Futures may terminate this program at any time prior to December 31, 2011.

7. This Application and Agreement supersedes any and all prior and contemporaneous market specialist agreements, understandings, negotiations and discussions, written or oral, between ICE Futures and the Market Specialist, relating to any transactions contemplated by this Agreement.

8. The term of this Agreement shall commence on the Effective Date and end on December 31, 2011. ICE Futures, in its sole discretion, may either extend the term of the Agreement for a period not to exceed three (3) years in total or terminate the Market Specialist Program at any time prior to December 31, 2011. The Market Specialist further acknowledges that ICE Futures retains the right to revoke the Market Specialist's status if ICE Futures concludes from its review that the Market Specialist is not complying with the obligations of the Market Specialist.

Effective Date: \_\_\_\_\_

ICE Futures U.S.

(Market Specialist)

By: \_\_\_\_\_

By: \_\_\_\_\_

Name:

Name:

Title:

Title:

**SCHEDULE A**

Product: \_\_\_\_\_

	Front Month	Second Month	Third Month	Calendar Spread
Bid/Offer Spread				
Size				
Trading Hours				

Product: \_\_\_\_\_

	Front Month	Second Month	Third Month	Calendar Spread
Bid/Offer Spread				
Size				
Trading Hours				

Product: \_\_\_\_\_

	Front Month	Second Month	Third Month	Calendar Spread
Bid/Offer Spread				
Size				
Trading Hours				

Product: \_\_\_\_\_

	Front Month	Second Month	Third Month	Calendar Spread
Bid/Offer Spread				
Size				
Trading Hours				

**Clearing Member Information**

Name: \_\_\_\_\_

Acct #: \_\_\_\_\_

CM Contact: \_\_\_\_\_

Phone and email: \_\_\_\_\_

I hereby certify that the information provided above is true and correct. I hereby acknowledge and understand that ICE Futures, including but not limited to the Market Regulation Department, will be reviewing trading in my proprietary account(s) listed above in order to determine whether I am continuing to meet the requirements of the Market Specialist Program and if I should continue or be renewed as a participant in the Market Specialist Program. I authorize ICE Futures to contact my clearing member from time to time to confirm my continued eligibility for the program and authorize my clearing member to release all trading information related to my proprietary account(s) listed below to ICE Futures.

I hereby agree that the above bid/offer spreads and trading hours listed for certain of the above ICE Futures US Commodity Contracts are the spreads I, as a Market Specialist, will use its best efforts to maintain in accordance with paragraph 2 of the Market Specialist Application.

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT B**

**ICE FUTURES U.S.® RUSSELL CONTRACT INDIVIDUAL MEMBER FEE PROGRAM**

The program offers individual members of a number of qualifying US derivatives exchanges a rate of \$0.30/side for all Russell 1000 Index Mini, Russell 1000 Value Index Mini, Russell 1000 Growth Index Mini and Russell 2000® Index Mini futures and options contracts ("the Russell Contracts") executed in that calendar month during the term of the program. The fee reduction is rebated to the participant's clearing member, and passed on to the participant.

Participant Name: \_\_\_\_\_

Type of Membership (check one):

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**CME**                      **CBOT**                      **CBOE**  
 Individual Member     Individual Member     Individual Member

**NYMEX**                      **ISE**                      **ICE U.S.**  
 Individual Member     Individual Member     Individual Member

NFA Registration ID (if applicable): \_\_\_\_\_

Please identify the proprietary account you will be using for trading ICE Futures U.S. Russell Index products (only trades in identified accounts will be eligible for program rates).

ICE Futures U.S. Clearing Member	Proprietary Trading Account Number

Clearing Member Contact \_\_\_\_\_ Phone \_\_\_\_\_ email \_\_\_\_\_



From the effective date through trade date December 31, 2011, ICE Futures U.S. will charge the participant at a rate of \$0.30/contract side for transactions in the Russell Contracts. Only transactions in said Russell Contracts executed by the participant in his/her proprietary account(s) are eligible for reduced fees; EFP transactions in the Russell 2000 Index Mini futures contracts shall not be eligible for reduced fees; EFP transactions in the Russell 1000 Index, Russell 1000 Growth Index and Russell 1000 Value Index Mini futures contracts are eligible for reduced fees. The difference between the rate charged the participant in the Individual Member Fee Program and the standard non-member fees for Russell transactions in these contracts is rebated to the Program participant through the participant's clearing member.

The Individual Member Fee Program continues through trade date December 31, 2011 or until further notice, but in no case for a period to exceed three years. ICE Futures U.S. reserves the right to remove any participant from the Program at its discretion.

I hereby certify that the information provided above is true and correct. I hereby acknowledge and understand that ICE Futures U.S., including but not limited to the Market Regulation Department, will be reviewing trading in my proprietary account(s) listed above in order to determine whether I am continuing to meet the requirements of the Individual Member Fee Program and if I should continue or be renewed as a participant in the Individual Member Fee Program. I authorize ICE Futures U.S. to contact my clearing member from time to time to confirm my continued eligibility for the program and authorize my clearing member to release all trading information related to my proprietary account(s) listed above to ICE Futures U.S.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_ Firm: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

The application should be returned to Tracy Anzalone, IntercontinentalExchange, fax number 312.836.6705, or [tracy.anzalone@theice.com](mailto:tracy.anzalone@theice.com). Please call Ted Doukas (312.836.6712) with questions about the program.

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**EXHIBIT C**  
**ICE FUTURES U.S.® RUSSELL CONTRACT MEMBER FIRM FEE PROGRAM**

The program offers entities that are corporate members of a number of qualifying US derivatives exchanges that execute trades in Russell 1000 Index, Russell 2000® Index, Russell 1000 Value Index and Russell 1000 Growth Index Mini futures and options contracts ("the Russell Contracts") during a calendar month a fee reduction which is rebated to the participant's clearing member and passed on to the participant. The fee reduction is more fully described below.

Participant Name: \_\_\_\_\_

Type of Membership (check one):

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 CME Corporate Member     CBOT Corporate Member     CBOE Corporate Member

NYMEX Corporate Member     ISE Corporate Member     IFUS Corporate Member

NFA Registration ID (if applicable): \_\_\_\_\_

Please identify the proprietary account you will be using for trading ICE Futures U.S. Russell Index products (only trades in identified accounts are eligible for program rates).

ICE Futures U.S. Clearing Member	Proprietary Trading Account Number

Clearing Member Contact \_\_\_\_\_ Phone \_\_\_\_\_ email \_\_\_\_\_

From the effective date through trade date December 31, 2011, for each month that a participating firm:

(1) executes for its proprietary account(s) 1000 futures and/or options contract sides of the Russell 1000 Index Mini, the participating firm will qualify for a reduced Exchange and Clearing fee (the "Fee") of \$0.30/contract side for transactions in the Russell Contracts;

(2) has met the Russell 1000 Index Mini volume requirement specified in paragraph (1) above and executes 1,000 contracts futures and options contract sides combined in the Russell 1000 Growth and Value Contracts, the participating firm will qualify for a reduced fee of \$0.20/contract side for transactions in the Russell Contracts;

(3) fails to meet the Russell 1000 Index Mini volume requirement specified in paragraph (1) above, the participating firm will qualify for a reduced fee of \$ .60/contract side for transactions in the Russell Contracts for that month.

Only transactions in said Russell Contracts executed by the participating firm in its proprietary account(s) are eligible for reduced fees; EFP transactions in the Russell 2000 Index Mini futures contracts shall not be eligible for reduced fees; EFP transactions in the Russell 1000 Index, Russell 1000 Growth Index and Russell 1000 Value Index Mini futures contracts are eligible for reduced fees. The difference between the rate charged the participating firm in the Member Firm Fee Program and the standard non-member fees for Russell transactions in these contracts is rebated to the Program participating firm through the participating firm's clearing member.

The Member Firm Fee Program continues through trade date December 31, 2011 or until further notice, but in no case for a period to exceed three years. ICE Futures U.S. reserves the right to remove any participant from the Program at its discretion.

As a qualified representative of the member firm applying to participate in the Program, I hereby certify that the information provided above is true and correct. I hereby acknowledge

and understand that ICE Futures U.S., including but not limited to the Market Regulation Department, will be reviewing trading in the proprietary account(s) listed above to determine whether the firm continues to meet the requirements of the Member Firm Fee Program and whether the firm should continue or be renewed as a participant in the Member Firm Fee Program. I authorize ICE Futures U.S. to contact the clearing member of the participating firm from time to time to confirm its continued eligibility for the program and authorize its clearing member to release all trading information related to the proprietary account(s) listed above to ICE Futures U.S.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

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Title: \_\_\_\_\_ Firm: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

The application should be returned to Tracy Anzalone, IntercontinentalExchange, fax number 312.836.6705 or [tracy.anzalone@theice.com](mailto:tracy.anzalone@theice.com). Please call Ted Doukas (312.836.6712) with questions about the program.