

 **LICE** 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

2009 OCT 27 PM 3 14

Submission No. 09-45  
October 26, 2009

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: Amendments to Rules 3.15, 3.34, 4.06, 4.11, 4.12, 4.13, 4.24, 4.36, 5.03, 6.13, 6.23, 6.45, 6.47, 27.11 and 27.18 and deletion of the definitions of Ethanol, Pulp and Sugar No. 14 and of Rules 6.29 and 6.32 -  
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, amendments to Rules 3.15, 3.34, 4.06, 4.11, 4.12, 4.13, 4.24, 4.36, 5.03, 6.13, 6.23, 6.45, 6.47, 27.11 and 27.18 and the deletion of the definitions of Ethanol, Pulp and Sugar No. 14 from Chapter 1 and of Rules 6.29 and 6.32.

The amendments and the deletion of the definitions and rules remove all references to products the Exchange no longer lists for trading – Ethanol, Pulp, Robusta and Sugar No. 14 and, in some instances, substitute Sugar No. 16 for Sugar No. 14. The amendment to Rule 6.47 replaces the phrase "Board of Governors" with the phrase "Board of Directors". The amendments and deletions have been made as nonmaterial revisions that have no effect on any terms or conditions of any contract listed by the Exchange for trading.

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

If you have any questions or need further information, please contact me at 212-748-4084 or [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

## EXHIBIT A

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

### Chapter 1 - Definitions

#### [Ethanol

The term "Ethanol" shall mean ethanol deliverable under the Ethanol Contract of the Exchange.]

#### [Pulp

The term "Pulp" shall mean pulp deliverable under the Pulp Contract of the Exchange.]

#### [Sugar No. 14<sup>®</sup>

The term "Sugar No. 14" shall mean sugar deliverable under the Sugar No. 14 Futures Contract of the Exchange.]

### Rule 3.15. Domestic Sugar Committee

\* \* \*

(b) The Committee shall have and may exercise only the power or authority of approving or rejecting any modifications to the contractual terms and conditions respecting [~~Sugar No. 14<sup>®</sup>~~] and Sugar No. 16 Futures and Options Contracts. Any such modifications may be implemented only if approved by the Committee by a majority vote of the members present at a meeting at which a quorum is present.

(c) Except as expressly set forth in Section 16 of the Bylaws, Annex B to the Bylaws or Annex C to the Bylaws, the Committee shall not have the power or authority to prevent the implementation of a decision by the Board with respect to, or make or reject, any proposed changes with respect to the trading of [~~Sugar No. 14 and~~] Sugar No. 16 Futures and Options Contracts by open outcry versus electronic trading, or with respect to any other Commodity Contract or other operations of the Exchange. [~~In the event that the Exchange is trading Sugar No. 14 Futures and Options Contracts both by open outcry and electronically, the Committee shall take all action reasonably necessary to ensure the terms of both the open outcry and electronically traded versions are consistent with each other and fungible.~~]

### Rule 3.34. Sugar Delivery Committee

\* \* \*

(b) The Sugar Delivery Committee shall have such powers and perform such duties as are specified by the Board or in the Rules, including determining delivery disputes and expedited Sugar No. 11<sup>[SM]</sup> and Sugar No. [~~14~~]16 arbitrations.

[REMAINDER OF RULE UNCHANGED]

### Rule 4.06. Closing Call for Exchange Futures and Options Contracts

(a) Cocoa, Coffee "C"<sup>[5]</sup> and Sugar No. 11 [~~and Robusta~~] Options Contracts

(i) The two (2) minute period used to determine settlement prices shall be defined as the closing period for Cocoa, Coffee "C"<sup>[5]</sup> and Sugar No. 11 [~~and Robusta~~] Options Contracts.

[REMAINDER OF RULE UNCHANGED]

**Rule 4.11. Transfer Transactions Not Required to Be Made by Open Outcry**

\* \* \*

(c) Cocoa, Coffee "C", [~~Pulp, Robusta~~], Sugar No. 11 [~~Sugar No. 14~~] and Sugar No. 16 Transactions involving Futures Contracts referred to in subparagraph (a)(i)-(iv) shall not be permitted if, pursuant to the regulations of the CFTC or otherwise, such transfers would result in the liquidation of a trader's Position with separate Clearing Members, unless the Clearing Organization which clears the Trade shall have been notified of the duplications within three (3) Business Days following the day the duplicating Trades were made; provided, however, that Positions which are not reported as duplications may be transferred and liquidated only if such Positions represent less than two percent (2%) of the open interest in the relevant contract month reported for the Business Day preceding the transfer. Each Futures Contract transferred and liquidated by a Clearing Member which has not been reported as a duplicating Position shall be subject to fees as determined by the Board.

\* \* \*

(e) After the close of trading on the Last Trading Day of any delivery month in any Cocoa, Coffee "C", Cotton No. 2, Financial, FCOJ, [~~Pulp, Robusta,~~] Sugar No. 11 [~~Sugar No. 14~~] and Sugar No. 16 Contract (but not later than 1:00 p.m. of the Last Trading Day for the Financial Contract and not later than noon for Cocoa, Coffee "C", Cotton No. 2 and FCOJ and not later than 10:00 a.m. for Sugar No. 11 [~~Sugar No. 14~~] and Sugar No. 16 on the following Business Day), a Clearing Member carrying one (1) or more open contracts for that delivery month for its own account or the account of any other Person as the result of an error may transfer any or all of such contracts to any other account carried by such Clearing Member or to any other Clearing Member (together with any delivery documents evidencing an intention to deliver or receive with respect to such contracts); provided that:

(i) for any delivery month in Cocoa, Coffee "C" [~~Pulp, Robusta, Sugar No. 14~~] and Sugar No. 16, no Clearing Member may so transfer for its own account and/or the account of any other Person, in the aggregate, more than ten (10) contracts in such delivery month;

[REMAINDER OF RULE UNCHANGED]

**Rule 4.12. AA or EFP Transactions**

AA or EFP Transactions are not required to be made competitively as long as such Transactions comply with the following terms and conditions:

(a) Transaction Requirements

\* \* \*

(ii) AA/EFP Transactions executed on the Last Trading Day for any delivery month in any Sugar No. 11 [~~Sugar No. 14~~] or Sugar No. 16 Futures Contract must be executed and reported before the final five (5) minutes of trading.

[REMAINDER OF RULE UNCHANGED]

**Rule 4.13. EFS Transactions**

EFS Transactions are not required to be made competitively as long as such Transactions comply with the following terms and conditions:

(a) Transaction Requirements

\* \* \*

(ii) EFS Transactions executed on the Last Trading Day for any delivery month in any Sugar No. 11 [~~Sugar No. 14~~] or Sugar No. 16 Futures Contract must be executed and reported before the final five (5) minutes of trading.

[REMAINDER OF RULE UNCHANGED]

**Rule 4.24 FCOJ [~~and Coffee~~] Combination Transactions**

(a) Trading Members are permitted to execute the following FCOJ [~~and Coffee~~] Combination Transactions:

- (i) long FCOJ-A and long Diff Futures; and
- (ii) short FCOJ-A and short Diff Futures[~~;~~ and
- (iii) ~~long Coffee "C" and short Robusta Coffee~~.

[REMAINDER OF RULE UNCHANGED]

**Rule 4.36. Fast Market Quotations**

(a) Solely with respect to the Cocoa, Coffee "C"[~~;~~ Ethanol, Pulp,] and Sugar No. 11 [~~and Sugar No. 14~~] Futures and Options Contracts, whenever price fluctuations of such Commodity Contracts are rapid and the volume of business is large (hereinafter a "Fast Market"), it is of common occurrence that different prices or Premiums are bid and offered for the same delivery month or Option Series in different parts of the ring at the same time. The normal result of such condition is, at times, the execution by Floor Brokers of orders at prices or Premiums not officially quoted, or the inability of a Floor Broker to execute an order at a limited price. This is unavoidable, but is in no wise the fault of anyone.

(b) The following procedure is adopted to identify the occurrence of a Fast Market to be used in conjunction with the dissemination of Market Quotations for the Cocoa, Coffee "C"[~~;~~ and] [~~Ethanol, Pulp,~~] Sugar No. 11 [~~and Sugar No. 14~~] Futures and Options Contracts.

**Rule 5.03. Margin**

\* \* \*

(b) The minimum amount of Original Margin which must be obtained by Member Firms from other Persons for any account carrying Exchange Futures and/or Options Contracts shall be as follows:

\* \* \*

(ii) With respect to Cocoa, Coffee, Cotton, [~~Ethanol,~~] FCOJ[~~;~~ Pulp] and Sugar Futures and Options Contracts and where such other Person is not a Member or Member of the Trade, the Original Margin required to be deposited in each such account shall be no less than 140% of the Hedge Margin Rate and 140% of the Arbitrage Position Rate applicable to each such Commodity Contract as published by the Exchange and modified from time to time.

[REMAINDER OF RULE UNCHANGED]

**Rule 6.13. Enforcement of Position Limits and Position Accountability Levels**

\* \* \*

(c) In the event a Member or Customer exceeds its position limit due to sudden unforeseen increases in its bona fide hedging needs, such Member or Customer shall not be considered in violation of the Rules provided that such Person requests a hedge exemption to carry such increased position within five (5) Business Days for Cocoa, Coffee[~~;~~ Ethanol,] Sugar No. 11 and Sugar No. [~~14~~]16, or ten (10) Business Days for Cotton No. 2, FCOJ, and the Financial and Index Contracts, following the day on which the Member's or Customer's position limit was exceeded and provided that such exemption is granted by the Exchange.

[REMAINDER OF RULE UNCHANGED]

**Rule 6.23. Position Limits for Domestic Raw ~~[Sugar No. 14 and]~~ Sugar No. 16 Contracts**

(a) Subject to the exceptions contained in this Chapter, the maximum net long or net short position which any one (1) Person may own or control in the Domestic Raw ~~[Sugar No. 14 and the]~~ Sugar No. 16 Contracts is one thousand (1,000) Exchange Futures Contracts. ~~[Positions held in the Domestic Raw Sugar No. 14 Contracts will be combined with positions held in the Domestic Raw Sugar No. 16 Contract in determining the total number of Positions being held by any one (1) Person.]~~

(b) Subject to the exceptions contained in this Chapter, the maximum net long or net short position in any one (1) month which any Person may own or control in the Domestic Raw ~~[Sugar No. 14 and]~~ Sugar No. 16 Contracts is one thousand (1,000) Exchange Futures Contracts. ~~[Positions held in any one (1) month in the Domestic Raw Sugar No. 14 Contract will be combined with positions held in the same month in the Domestic Raw Sugar No. 16 Contract in determining the total number of Positions being held by any one (1) Person in any one (1) month.]~~

**Rule 6.29. [Position Limits for Pulp Contracts] Reserved**

~~[(a) Subject to the exceptions contained in this Chapter, the maximum net long or net short position which any one (1) Person may own or control in the Pulp Contract is one thousand (1,000) Exchange Futures Contracts and Futures Equivalent Contracts in all months combined or in any one (1) month.~~

~~(b) Subject to the exceptions contained in this Chapter, as of the opening of trading on the second (2<sup>nd</sup>) Business Day following the expiration of the regular Option contract traded on the expiring Exchange Futures Contract, the maximum position which any one (1) Person may own or control in an expiring Pulp Contract is 1,000 Exchange Futures Contracts.]~~

**Rule 6.32. [Position Limits for Robusta Coffee Contracts] Reserved**

~~[(a) Subject to the exceptions contained in this Chapter, the maximum net long or net short position which any one (1) Person may own or control in the Robusta Coffee Contract is one thousand (1,000) Exchange Futures Contracts and Futures Equivalent Contracts in all months combined or in any one (1) month.~~

~~(b) Subject to the exceptions contained in this Chapter, the maximum position which any one (1) Person may own or control is three hundred (300) Exchange Futures Contracts for any month for which delivery notices have been or may be issued.]~~

**Rule 6.45. Deliveries in Bankruptcy Situation**

(a) For purposes of this rule:

\* \* \*

(iv) The term "Notice of Delivery" shall include a transferable notice in the case of Cocoa, Coffee, Cotton or FCOJ and a "Memo of Deliverer" in the case of Sugar ~~[or Ethanol]~~.

\* \* \*

(vi) The term "Tender" with respect to a Notice of Delivery shall mean:

(A) in the case of a Customer who is short, the presentation of such notice by a Clearing Member on behalf of such Customer to the Clearing Organization and the assignment of such notice (or, in the case of Sugar ~~[or Ethanol]~~, the issuance of a Multiple Delivery Notice including Sugar ~~[or Ethanol]~~ covered by such notice) by the Clearing Organization to a long Clearing Member; and

(B) in the case of a Customer who is long, the acceptance by a Debtor of such notice (or, in the case of Sugar ~~[or Ethanol]~~, of a Multiple Delivery Notice including Sugar ~~[or Ethanol]~~ covered by such notice) from the Clearing Organization or a Carrying Clearing Member, unless

such notice is transferred within the time permitted under the Rules or the Clearing Organization Rules, and the allocation of such notice to such Customer by the Debtor.

[REMAINDER OF RULE UNCHANGED]

**Rule 6.47. Exchange Disclosure and Trading Policy**

\* \* \*

(c) Employee Trading Guidelines

\* \* \*

4. Subject to the provisions of paragraph (b) hereof, . . . .

\* \* \*

(E) Requests by the President for exemption from the provisions of these Guidelines and Rules shall be determined by the Chairman of the Board of ~~[Governors]~~ Directors.

[REMAINDER OF RULE UNCHANGED]

**Rule 27.11. Acceptable Orders**

(a) An ETS order shall be in one of the following order types (listed in alphabetical order):

(i) "Calendar Spread orders" – Calendar Spread orders are orders to purchase one (1) or more Exchange Futures Contracts and sell an equal number of Exchange Futures Contracts in the same Commodity at a stated price difference. Calendar Spread orders may either trade against other matching Calendar Spread orders or may be traded against outright contracts. When traded against outright contracts, the outright contract prices are always used for each of the legs of the Calendar Spread order. When traded against another Calendar Spread order, the prices of the legs of such Transactions will be generated by a Calendar Spread algorithm determined by the Exchange and the prices of the legs of such Transactions may exceed the daily price limit for the respective product.

(A) For ETS Calendar Spread orders for Cocoa, Coffee "C"<sup>®</sup>, Cotton No. 2<sup>®</sup>, FCOJ, Sugar No. 11<sup>®</sup>, and ~~[Sugar No. 14<sup>®</sup>]~~ Sugar No. 16, ~~[Robusta Coffee and Pulp Contracts]~~, a buy order is defined as purchasing the near month and selling the far month, and a sell order is defined as a selling the near month and purchasing the far month.

[REMAINDER OF RULE UNCHANGED]

**27.18. Trading Hours**

(a) The ETS trading hours shall be as specified by the Exchange from time to time.

(b) The time period during which daily Settlement Prices shall be determined is:

(i) for Cocoa Futures and Options Contracts, 11:48 AM – 11:50 AM;

(ii) for Coffee "C" Futures and Options Contracts, 1:28 PM – 1:30 PM;

(iii) for Cotton No. 2 Futures and Options Contracts, 2:14 PM – 2:15 PM;

(iv) for FCOJ Futures and Options Contracts, 1:29 PM – 1:30 PM;

(v) ~~[for Robusta Coffee Futures and Options Contracts, 1:28 PM – 1:30 PM;~~

(vi)] for Sugar No. 11 Futures and Options Contracts, 1:28 PM – 1:30 PM;

(vi[i]) for [~~Sugar No. 14 and~~] Sugar No. 16 Futures Contracts, 1:59 PM – 2:00 PM;

(vii[i]) for Financial Futures and Options Contracts, 2:59 PM – 3:00 PM;

(~~ix~~viii) for Commodity Price Index Futures and Options Contracts, 2:44 PM – 2:45 PM; and

(ix) for Stock Index Futures and Options Contracts, 4:14 PM – 4:15 PM.

(c) On the Last Trading Day for each Exchange Futures Contract, the Trading Session will end:

(i) for [~~Sugar No. 14 and~~] Sugar No. 16 Futures, at 1:45 PM;

\* \* \*

(v) for Coffee “C”[, ] and Sugar No. 11 [~~and Robusta Coffee~~] Futures at 1:30 PM;

[REMAINDER OF RULE UNCHANGED]

**Volume Ratio Charge Structure**

Market	Maximum VR per Registered Operator	VR Compliance Hours (New York Time)	Charge for exceeding maximum VR
Cocoa Coffee “C” ® Sugar No. 11[sm]® Cotton No. 2[sm]® FCOJ Sugar No. 1[4]6, [Pulp, Ethanol,] Currencies, USDX®, Equity Indexes and Commodity Indexes.	20:1	10:00AM – 2:30PM	\$1,000 per Registered Operator per day that the VR is exceeded, plus an additional \$1,000 if the VR exceeds a ratio of 30:1