



BY ELECTRONIC TRANSMISSION

06-33
December 14, 2006

Ms. Eileen A. Donovan
Acting Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

OFFICE OF THE SECRETARY
DEC 14 11 1:25
2006

Re: **Amendments to Licensing Rule 7.63(d) and FCOJ and
NFC Rules 13.08 and 25.08
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.4(b)**

Dear Ms. Donovan:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commission Regulation 40.4(b), the Board of Trade of the City of New York, Inc. ("Exchange") submits, by written certification, amendments to Rules 7.63(d), 13.08 and 25.08, attached as Exhibit A.

Licensing Rule 7.63(d)

Amendments to Licensing Rule 7.63(d) permit FCOJ Licensed Facilities to be under any one of three inspection regimes: USDA Continuous Inspection, USDA Quality Assurance Inspection, or State of Florida Florida Quality Systems Certification Program. Currently, such Licensed Facilities must as a condition of their license be under the USDA Continuous Inspection program. In addition, the amendments require each FCOJ and NFC Licensed Facility to provide an on-site laboratory that is accepted by the USDA for purposes of USDA performance of grading and testing of product at loadout.

The amendments are necessary and appropriate to bring Exchange FCOJ and NFC licensing requirements in line with commercial market conditions. By giving a Licensed Facility the ability to choose which one of the allowable inspection regimes it will be under, the facility operators will have increased flexibility and efficiency. In addition, the changes may also lead to an increase in the number of FCOJ or NFC tank facilities willing to be licensed by the Exchange.

FCOJ Rule 13.08 and NFC Rule 25.08

The amendments to Rules 13.08 and 25.08 provide that all FCOJ and NFC futures contract months will have an expandable ten cent (10¢) per pound daily trading limit. Current rules provide for an expandable ten cent (10¢) daily limit for the first two (2) listed contract months and a fixed five cent (5¢) daily limit for all other months. The amendments provide the same limit for all listed contract months.

The amendments also revise existing provisions so that a trading suspension can only be triggered by a preponderance of bids, at the high of the trading range, or offers, at the low of the trading range, in the futures contract month carrying the most open interest. However, the suspension cannot be implemented until the bids and offers in all contract months have been accepted. At the end of the fifteen (15) minute suspension, all contract months will resume trading with a new limit of ten cents (10¢) per pound above or below the price of such month at the time of the suspension. The amendments will aid the price discovery function of the market by allowing all contract months to trade freely even after a 10-cent up or down move has occurred and not limit the back months to the fixed five (5¢) cent limit..

The Exchange deems all of the amendments to be non-material changes as they meet the requirements of Regulation 40.4(b)(6) because they will have no effect on the economic characteristics of the product.

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

The Exchange's Board of Governors adopted the amendments on December 13, 2006. The amendments will become effective on a date set by the President ten (10) days after submission. No substantive opposing views were expressed by members or others with respect to the amendments.

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

Sincerely,

Jill S. Fassler
Vice President
Associate General Counsel

cc: Riva Adriance
Thomas Leahy
CFTC, Division of Market Oversight
Allen Cooper
CFTC, New York Regional Office

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

Rule 7.63. Qualifications

* * *

(d) *USDA Inspection*

(1) The facility shall be equipped to handle FCOJ under continuous inspection of the USDA, or Quality Assurance Program inspection of the USDA, or Florida Quality Systems Certification Program inspection. Each NFC and FCOJ facility shall provide an on-site laboratory that is accepted by the USDA for purposes of USDA performance of grading and testing of product under Rule 7.70. Inspections will be provided without any undue delay.

(2) In the conduct of [~~continuous~~] inspection, the USDA may conduct such tests, as they deem necessary, to provide assurance that the FCOJ meets the requirements set forth in Rule 13.02 for FCOJ-A and FCOJ-B. The FCOJ-A includes the origin designation of “Florida”, “Brazil” or “Florida/Brazil” in the following manner:

(A) Tank delivery. On the day of physical delivery of FCOJ by tank delivery, the USDA shall issue a USDA Certificate to the Receiver.

(3) USDA inspectors will be permitted full access to select sample units of product represented by EWRs issued by the facility operator.

[REMAINDER OF RULE UNCHANGED]

Rule 13.08. Price Limits

Rule 25.08. Price Limits

(a) For purposes of this Rule the following term shall have the following meanings:

(i) *The [~~Current~~]Lead Month.* The [~~maturing~~] futures delivery month [~~measured from the close of business on the Last Trading Day of the futures month immediately preceding it through the close of business on the Last Trading Day of the futures month so considered~~]carrying the most open interest;

(ii) *Next Current Month.* The futures month following the Current Month;

(iii) *Nearby Month(s).* Collectively, the months referred to in (i) and (ii) above; and

(iv) *Back Months.* All other futures months.]

(ii) A price limit shall be deemed to have been “reached” within the meaning of subparagraph (b)(i) of this Rule when there is a preponderance of bids at the high of the trading range or of offers at the low of the trading range.

(b) When a price limit has been reached in the Lead Month under subparagraph (d)(i) of this Rule, offers or bids in any delivery month shall be subject to acceptance before trading is suspended.

(c) All questions with respect to this Rule and its implementation shall be determined by the Settlement Price Committee.

[~~(b) Back Months—Trades for any Back Month shall not, during any one (1) day, be made at prices varying more than five cents (5¢) per pound above or below the Settlement Price of such month of the preceding session of the Exchange, except when three (3) or more Back Months close at the limit in the same direction for three (3) successive Business Days, then the limit would be raised to eight cents (8¢) per pound above or below the Settlement Price of such month of the preceding session of the Exchange. The limit will remain at eight cents (8¢) per pound until less than three (3) Back Months close at the limit in the same direction, then on the next day the limit will revert to the original level of five cents (5¢) per pound.~~]

~~[(e)d] [Nearby Months] Limits~~

~~(i) 10¢ Move~~

~~(A) The price limit for any [Nearby M] month shall be ten cents (10¢) per pound above and below the Settlement Price for such month of the preceding trading session. If the price for [any Nearby] the Lead Month reaches said ten cents (10¢) per pound limit, trading in all Exchange Futures and Options Months shall automatically be suspended for a period of fifteen (15) minutes, during the last five (5) minutes of which, a stopped contract shall be held in the manner provided under Rule 4.08, provided however, that, the Floor Committee may determine to extend such five (5) minute period during which a stopped contract shall be held, for an additional period of time not to exceed two (2) minutes. At the end of such suspension, trading shall resume with an opening call in futures.~~

~~(B) On the resumption of trading, the price limit for [any Nearby M] each month shall be ten cents (10¢) per pound above and below the price of that [Nearby M] month at the time of the suspension and, if [any Nearby] the Lead Month price limit is reached again, trading in all Exchange Futures and Options Months shall again automatically be suspended and resumed in accordance with the procedures as set forth in the above subparagraph ~~[(e)d](i)(A)~~ of this Rule. The foregoing procedure shall continue during each day of trading in a [Nearby] Lead Month in the same manner so that when the price for [any Nearby] the Lead Month reaches the then price limit there shall be a suspension and a resumption of trading in accordance with subparagraph ~~[(e)d](i)(A)~~ of this Rule at a price limit of ten cents (10¢) per pound above and below the price in [any Nearby] the Lead Month at the time of suspension until a further suspension occurs or the end of trading on any such day.~~

~~(C) The procedures for the ten cent (10¢) move shall be followed until there are five (5) consecutive limit moves in the same direction.~~

~~(ii) 20 ¢ Move~~

~~(A) In the event of a sixth (6th) or more consecutive limit move in the same direction, each [such Nearby M] month limit will be twenty cents (20¢) per pound above and below the price of such [Nearby M] month at the time of suspension until there is a limit move in the opposite direction in which case the ten cent (10¢) procedures in subparagraphs ~~[(e)d](i)(A)~~ and (B) above are followed again.~~

~~(iii) If any futures trading occurs "off the limit", then during the first suspension (whether caused by a ten cent (10¢) or twenty cent (20¢) move) following such "off limit trading", that suspension shall apply only to futures. Options may continue to trade until the completion of the next opening call in futures that day.~~

~~[(d) A price limit shall be deemed to have been "reached" within the meaning of subparagraph (e)(i) of this Rule when there is a preponderance of bids at the high of the trading range or of offers at the low of the trading range.~~

~~(e) When a price limit has been reached in any Nearby Month under subparagraph (e)(i) of this Rule, offers at limit up or bids at limit down shall be subject to acceptance before trading is suspended in a Nearby Month, and when such limit bids or offers cease for one (1) Nearby Month, trading shall be suspended in all months.~~

~~(f) All questions with respect to this Rule and its implementation shall be determined by the Settlement Price Committee.]~~

~~[(g)e] On the Last Trading Day of the Current Month, or an expiring Option, if there has been suspension of trading by reason of a price movement which reaches a limit, trading in the Current Month or expiring Option shall continue for such number of minutes during which trading was suspended during said day; provided, however, that trading in all other months shall cease at the regular close.~~