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TESTIMONY OF JEFFREY C. SPRECHER
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BEFORE THE COMMODITY FUTURES TRADING COMMISSION

JULY 28, 2009

Chairman Gensler and Commissioners, I am Jeff Sprecher, Chairman and Chief Executive Officer of IntercontinentalExchange, Inc., or "ICE." I appreciate the opportunity to appear before you today to discuss the issue of position limits and hedge exemptions in energy derivatives markets. As a global operator of both regulated energy futures exchanges and electronic over-the-counter energy markets, ICE firmly believes in the proper regulation of markets to ensure that market users, as well as the broader public, have confidence in the price formation process that takes place in our markets – this is the very heart of the exchange model.

Prior to discussing the substance of our recommendations, however, we must respectfully offer a note of caution. During times that unpopular price signals are being sent by markets, it is often tempting for policy makers to take pro-active steps to address what they perceive to be structural problems in the market. While well intentioned, these measures often fail to achieve their desired objectives or, worse yet, lead to unintended consequences such as *increased price volatility* and *distortion of important price signals* that would otherwise be discovered in properly operating markets. If steps taken by regulators are not carefully tailored to address actual problems, they will ultimately leave our country, its businesses, and American consumers alike in a worse position in the long run, unable *to prepare today* for what everyone – politicians, businesses, and consumers – agrees will be a *difficult energy future*. In this regard, we note that no quantitative study has shown that speculation in futures markets was the cause of increased energy commodity prices in the past year – indeed, it is telling that commodities for which there is no active futures market experienced similar price increases as those for which there are active futures markets. We offer additional support for these facts and address other issues that third parties have raised about ICE's markets in the Annexes attached hereto. It is also critically important to note the central truth that deeper, more liquid markets with broad participation serve as better price discovery venues.

To consider the issues before the Commission today, it is also important to consider the historic role of position limits and accountability levels in futures markets. These two tools are different in recognition of the fundamental difference between *futures markets* – where market participants speculate on what the future price of a commodity *may be* – and *spot markets*, where physical commodities are actually procured and purchased and *into which near term futures market contracts should converge*. In futures markets, position limits have been implemented in the prompt



month (which converges into the spot market price) to prevent market corners and delivery squeezes in the final days of trading, when physically delivered contracts held to expiry “go to delivery.” In contrast, accountability levels have been implemented in future months to alert the exchange to the presence of a market participant holding positions large enough to either present an opportunity for market manipulation, or, as contracts roll toward expiry, to present the risk of a corner or delivery squeeze. These two tools – a prompt month limit and an accountability level in future months -- are set at different levels and exemptions are granted in different circumstances in recognition of the axiomatic fact *that the farther into the future an expression of price is made, the less connected or relevant it is to the current spot market price* and the more tenuous and speculative that future expression of price is. To test this proposition, simply attempt to predict what the future price of oil – or any commodity, security or financial instrument – will be in 2017, the longest dated month in ICE’s contract markets, while at the same time considering the countless events, large and small, that will happen between now and then that will ultimately determine what the price of oil will be in 2017 when the future arrives.

Finally, it is important to note the beneficial role that competition has played in energy markets. While liquidity is concentrated at a single exchange for most futures products, energy markets are an exception, partly in recognition of the global nature of energy commodity markets. Today, healthy competition exists among domestic and foreign futures exchanges, OTC exempt commercial markets, and OTC voice brokers. This competition has brought *many benefits* to commercial users of the energy markets and the public in general, including the early adoption of electronic trading and the *tighter bid/ask spreads in markets* that resulted there from; the *early adoption of clearing for OTC derivatives* in energy markets in 2002 (a fact that should not be overlooked given recent financial market events and the Treasury’s recent proposal to require clearing of all standardized OTC derivatives); and *significant product innovation* that has allowed commercial users to more accurately hedge their unique market risk.

Against this backdrop, ICE offers the following recommendations to the Commission regarding the application of position limits, accountability levels, and hedge exemptions in energy derivatives markets:

1. That any aggregate system of position limits, accountability levels and hedge exemptions should be set and administered by the CFTC;
2. That any position limits and accountability levels should be determined by the CFTC using market neutral and transparent methodologies and in a manner to preserve competition;



3. That financially settled contracts and physically deliverable contracts should be treated differently in any revised regime; and
4. That the CFTC should maintain the distinction between expiration month position limits and future month accountability levels

Position Limits, Accountability Levels and Hedge Exemptions Should Be Set and Administered by the CFTC

As the Commission is aware, ICE Futures Europe presently complies with the same position limits and accountability levels as domestic exchanges for its WTI crude oil contract and other contracts that are linked to the final settlement price of domestic exchanges – in addition to applying its own position management regime under U.K. Financial Service Authority (FSA) regulation. Further, legislation passed under the 2008 Farm Bill codified position limit and accountability requirements for significant price discovery contracts, or SPDC’s, traded on ICE’s OTC platform. As of last week, ICE’s largest OTC contract – the Henry Hub natural gas swap – was deemed to be an SPDC.

Recognizing the Commission’s suggestions that position and accountability levels should be applied *in the aggregate* across trading venues and markets to avoid “duplication of limits and exemptions,” ICE believes that the CFTC is the appropriate authority to set and administer position limits, accountability levels and hedge exemptions for U.S. energy futures, any linked foreign contracts, and SPDC’s. Only the CFTC has the placement to view a trader’s positions across all venues to observe true position size – no single exchange or venue is in such a position.

In addition, given the positive benefits of competition that currently exists in the markets, it would be important for a neutral body to set and administer such an aggregate regime in order to satisfy the CFTC’s statutory mandate under the Commodity Exchange Act to “promote fair competition among boards of trade, other markets and market participants markets.”¹ Currently, pursuant to the CFTC’s significant price discovery rules and ICE Futures Europe’s no action letter, ICE is beholden to position limits and hedge exemptions determined by its competitor, the CME Group, for certain of its U.S. products. Having one exchange administer an aggregate position limit scheme across its market and competing venues is rife with potential conflicts of interest. Further, the current process for determining position limits and hedge exemptions is completely opaque to ICE, to market participants and to the public in general, creating uncertainty about market integrity. This would be addressed if the CFTC administered the position limit and hedge exemption regimes as a neutral party.

¹ 7 U.S.C. § 5(b) (2008).



Aggregate Position Limits & Accountability Levels Should be Determined by the CFTC Using Market Neutral Methodologies and In a Manner to Preserve Competition

The current position limit regimes, both CFTC-administered and exchange-administered, are obsolete. The regime has not been updated for many years, even though the size of the futures markets has changed considerably. It may well be, that the large number of hedge exemptions that have reportedly been granted in the energy markets stem from maintaining outdated position limits that were established in a different era.

To revamp the current system into an effective aggregate regime, the CFTC should re-examine position limits and accountability levels based upon the underlying market (as opposed to an individual exchange's market) and set such limits and levels for traders across all trading venues. Importantly, the position limit must be exchange agnostic if competition is to be preserved; market participants should be able to carry the same aggregate position on any recognized venue, as long as the position does not exceed the CFTC-determined aggregate limit. Importantly, setting position limits as a percentage of an exchange's open interest would be ***contrary to the CFTC's statutory mandate to promote competition among exchanges and seek to regulate the futures markets by the least anticompetitive means available***. Imposing smaller positions for smaller markets or applying a "percentage of market" test for each individual exchange would only work to retard competition by inhibiting the development of liquidity in a competing market and locking in the relative market share of existing exchanges. New entrants to the market would never be able to attract major market participants without liquidity. Further, setting position limits as a percentage of open interest is unworkable, given that open interest fluctuates, sometimes greatly, from day to day.

Aggregate position limits should be set by the CFTC in a transparent fashion and updated regularly. Position limits should be set according to market size to prevent manipulation and delivery disruptions, not to influence commodity price levels. In determining position limits or accountability levels, the CFTC should consider the entire size of the energy market in question – both exchange and OTC. While the feasibility or necessity of OTC position limits is not the subject of this hearing, it is clear that the Commission has the authority to collect data on the OTC markets. Failing to accurately assess market size in setting position limits, accountability levels and appropriate exemptions will likely result in artificially low limits, creating barriers to a well-functioning, centrally cleared and regulated derivatives market and keeping positions in the opaque OTC markets.

While the CFTC has the ability to limit positions on its regulated markets, it does not have the ability to limit the demand for hedging that comes from a wide range of commercial firms globally. Firms and their swaps dealers who lack the ability to hedge



risk exposures on exchanges and transparent trading venues will be forced to take their business to the bilateral markets, increasing systemic risk and reducing market transparency. Alternatively, commercial entities may not be able to effectively hedge risk and may simply be forced to raise prices to consumers to compensate for input or production prices they cannot effectively manage. Neither of these outcomes is desirable.

Financially Settled Contracts and Physically Deliverable Contracts Should be Treated Differently in a Revised Position Limit Regime

In determining final month position limits, the CFTC should delineate between financially settled and physically deliverable contracts. Currently, the CFTC is encouraging exchanges to adopt hard position limits for financially settled contracts that are equal to the position limits for physically deliverable contracts. Any position limit regime should closely examine this practice, as market participants use the physical and financial markets for different purposes. Imposing limits on cash-settled products is problematic for those trying to hedge the settlement price and may create a convergence problem. The energy market created an OTC financially settled WTI swap contract, specifically to allow hedgers, who reference CME's WTI futures settlement price in their physical contracts, to hedge the expiration price of the WTI futures contract. Without such a mechanism, it is impossible to hedge the final futures settlement price, as holders of the futures contract receive physical oil at expiration – not dollars. ICE recognized the need for hedging CME's price and listed this financial contract on its energy futures exchange. The CME and a number of other exchanges and trading platforms have followed suit and such contract has found widespread adoption among commercial market participants.

If the Commission's regulatory concern is arbitrage between the physical and financial contracts, then a simple solution may be to allow large positions to be held in the financially-settled contract to allow perfect hedging of the final settlement price, but prohibit holders of such large positions from trading in the physically-settled futures contract market during the crucial settlement period, when physical players, with positions below the hard position limits in the final trading days, would determine the expiration settlement price. Such a rule would promote contract convergence and eliminate the need for the significant number of hedge exemptions that exist in the energy futures market.

Maintenance of the Distinction Between Expiration Month Position Limits & Future Month Accountability Levels

As noted in the introductory section of this testimony, expiry month position limits and accountability levels are different in recognition of the fundamental difference between futures markets and spot markets into which near term futures market contracts



should converge, together with the axiomatic fact that the farther into the future an expression of price is made, the less connected or relevant it is to the current spot market price. These facts are extremely important to consider because while expiration month hard position limits serve a very important purpose, blindly applying existing expiry month limits across all contract months – in an effort to dampen the overall level of speculative activity in a market could have a dramatic and adverse effect on the proper operation of markets, including (i) draining liquidity from markets (especially for contract months farther into the future), (ii) impeding price discovery and hedging of future price risk, and (iii) driving market participants off of exchanges and transparent trading platforms and into opaque portions of the market. *None* of these outcomes is desirable, all would run counter to the recently announced goals of the Treasury Department and the Commission to encourage clearing of OTC derivatives, and many could have serious systemic risk implications.

Under the current energy market regime, exchanges may set position accountability levels for energy contracts in future months outside of the expiry month. By contrast, for agricultural commodities, hard position limits apply in any month. The hard position limit scheme for agricultural commodities should not be seen as a panacea, as some key agricultural futures markets have been plagued with lack of convergence and lack of liquidity in distant contract months.

In many instances, commercial participants wish to hedge exposure far into the future, but artificially low hard position limits in the out-months may impact their ability to efficiently hedge such long dated risk due to the small number of speculators willing to undertake the risk of taking opposite positions so far into the future. Mandating agricultural market hard position limits across all future months could drain precious liquidity from the long-dated portions of the price curve, with speculators simply choosing to allocate their finite number of positions to the less risky nearby months of the price curve. This could have the perverse effect of not only harming the ability of commercials to engage in effective long term hedging (an activity that should be promoted), but could also result in spot market convergence problems as more speculative activity is allocated to the nearby expiry month.

Another consideration is that the absolute size, the number of participants and the level of hedging activity fluctuate for markets constantly. For instance the position of a single market participant of one third of the total long open interest in a given market at one point in time may be a healthy contribution to the liquidity of the market and provide an opportunity for producers and merchants to enter into hedging transactions. However, with a different set of market factors, the same position may prompt the exchange and/or clearinghouse to request a reduction of this position. The current position accountability regime provides exchanges with the flexibility required for these market dynamics.



Furthermore, hard position limits across all months can inhibit proper price signals throughout the longer-dated portions of the price curve. The latter effect would be *especially problematic* in energy markets, where both traditional and alternative energy producers must finance large infrastructure projects years before they will produce supplies of energy based upon what the markets *predict* the future price of an energy commodity may be. Distortions in such price signals may result in the inability of such projects to secure financing, jeopardizing future physical supplies and causing further price disruptions. Such a result would be contrary to our country's goal of increased energy independence and promotion of green energy and conservation.

For the foregoing reasons, ICE believes that the Commission should maintain the important distinction between prompt month hard position limits and future month accountability levels in connection with any changes the Commission decides to implement in energy markets. Should the Commission nevertheless decide to implement hard position limits across trading months, it is important for the Commission to appropriately adjust position limit levels from current expiration month levels to avoid adversely impacting liquidity in future contract months and raising the cost of hedging to end users of the markets. A sensible solution would be a gradual position limit that hardens as the contract moves towards expiration and delivery. This would preserve the ability of speculators who are willing to take on risk from commercial customers to make markets in the non-spot months. In addition, any changes to the position limit regime in the non-spot months should facilitate spread trading, which provides valuable liquidity to markets with minimal impact on absolute prices.

Changes to Exchange Traded Commodity Funds May be Required

A recent phenomenon has been the emergence and growth of Exchange Traded Funds ("ETFs") that invest in commodity futures. While such ETFs may represent a convenient mechanism for investors to access commodity futures markets, these funds regulated by the Securities and Exchange Commission with investor protection in mind, may not contemplate the ability of the CFTC, or CFTC regulated exchanges and trading platforms, to order down the size of an ETF's position. Redemption mechanisms within the ETFs must facilitate the fund manager's ability to redeem and retire its units or shares, so as to allow the size of the fund to be reduced. Without such mechanisms, commodity positions may simply be shifted between exchange traded and OTC venues, as ETF fund managers have little ability to stem the funds inflow from new investors. CFTC and SEC regulation and oversight should be coordinated with respect to commodity ETFs.



Conclusion

In conclusion, in re-examining the current position limit, accountability level and hedge exemption regimes in energy markets, the Commission should strive to encourage competitive and liquid energy markets, while maintaining market integrity. The Commission should serve as the neutral agency to determine appropriate limits, grant hedge or risk exemptions and enforce these requirements across exchange venues. Given increased transparency, competition and hedging needs that have evolved within the energy markets, the CFTC has an opportunity via this hearing process to improve the current regime for position oversight. Finally, the Commission should continue to closely cooperate and confer with the SEC and other US regulators, as well as foreign regulators in an effort to rationalize regulation, prevent regulatory arbitrage and encourage the proper operation of markets for these important global commodities.

Mr. Chairman, thank you for the opportunity to share our views with you. I would be happy to answer any questions you may have.



Annex A: Noncommercial Market Participation

- Exhibit 1: Noncommercial Long Participation in WTI Markets
- Exhibit 2: Noncommercial Long Participation in Natural Gas Markets
- Exhibit 3: Diverging Price Trends for Crude Oil and Natural Gas

Annex B: Market Fundamentals

- Exhibits 4 & 5: World Crude Supply
- Exhibit 6: Initial Jobless Claim Correlation to Crude Oil Prices
- Exhibit 7: Currency Correlation to Crude Oil Prices

Annex C: Foreign Boards of Trade

- Exhibit 8: ICE WTI Market Share
- Exhibit 9: U.S./Foreign Exchange Acquisitions and Partnerships



Annex A: Noncommercial Market Participation

The most popular reason cited for high energy prices is “speculation” in the futures markets, for which evidence is inconclusive at best. While speculation, in the form of noncommercial futures market participation has been blamed for artificially elevating prices and volatility, the charts in Exhibits 1 & 2 below indicate otherwise. There is no correlation between the level of noncommercial participation, as classified by the CFTC Commitment of Traders Report, and the behavior of prices in the crude oil and natural gas futures markets.

Exhibit 1

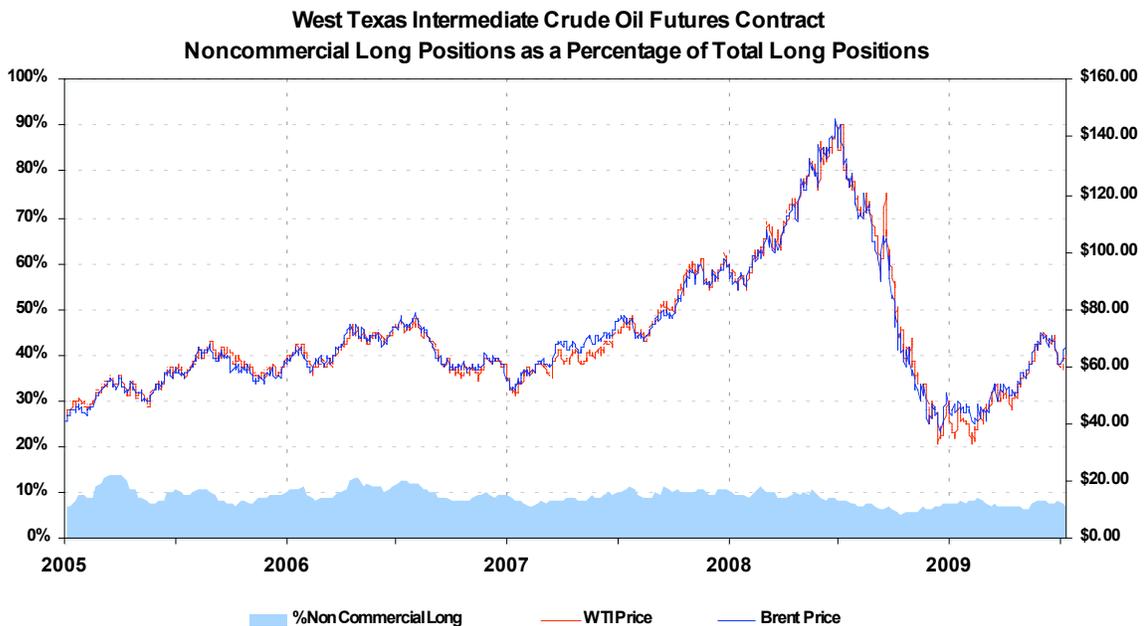
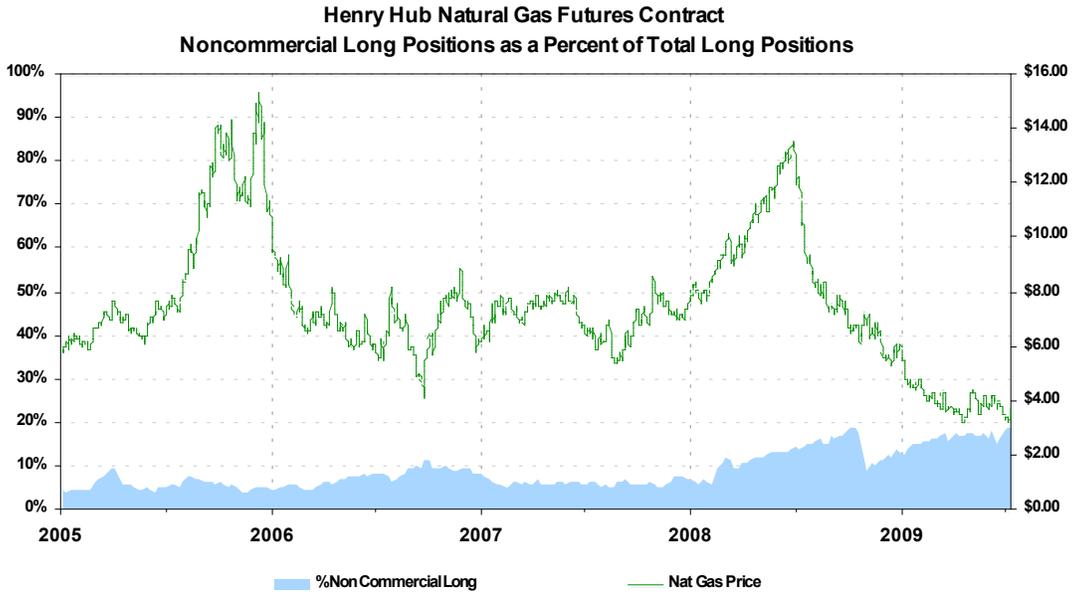




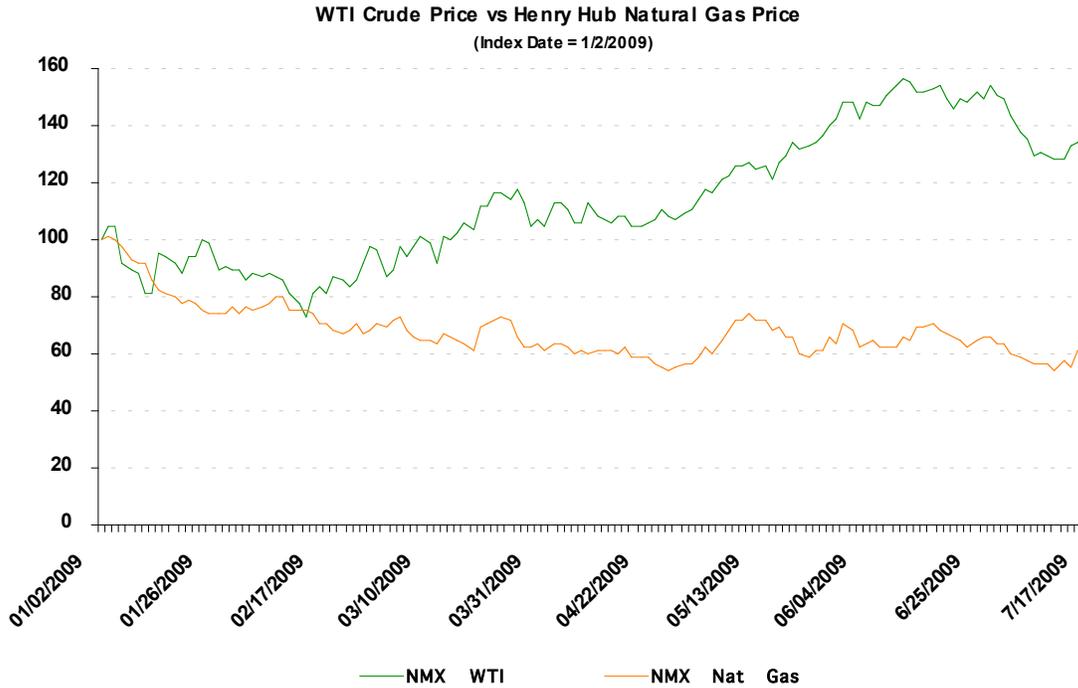
Exhibit 2



Furthermore, certain market participants, such as swaps dealers and index funds, have been labeled by many as sources of “excessive speculation”, and the drivers of “artificially high” crude oil prices and volatility. However, these same participants are equally active in the natural gas markets where prices are currently at a 7-year low, as shown in Exhibit 3.



Exhibit 3



It is also important to note that there are many commodity markets, such as iron ore, for which there are no exchange-traded, regulated futures markets, no swaps dealers, or no index fund participation. Nonetheless, those off-exchange, non-cleared, OTC markets experience volatility and price moves that rival those in the regulated crude oil and natural gas futures markets.



Annex B: Market Fundamentals

Over the last several of years, the U.S. and global economies have experienced the periods of significant growth and rapid contraction. Throughout, market participants consistently paid close attention to weekly changes in crude oil inventory as reported by the U.S. Department of Energy. While decreases in crude oil demand are historically rare, they have recently been larger and more sustained due to the depth of the current global recession. However, as Exhibit 4 below reveals, the absolute levels of crude oil supply and demand nonetheless remained within a very small range throughout this period. Exhibit 5 is a magnified version of Exhibit 4. Due to the inelasticity of actual supply and demand as well as projected supply and demand, small imbalances generate large changes in price. This is referred to as “pricing at the margin” in economic terms, and it reflects that very narrow cushion of supply, particularly in light of significant and sustained OPEC cuts in supply over the past year.

Exhibit 4

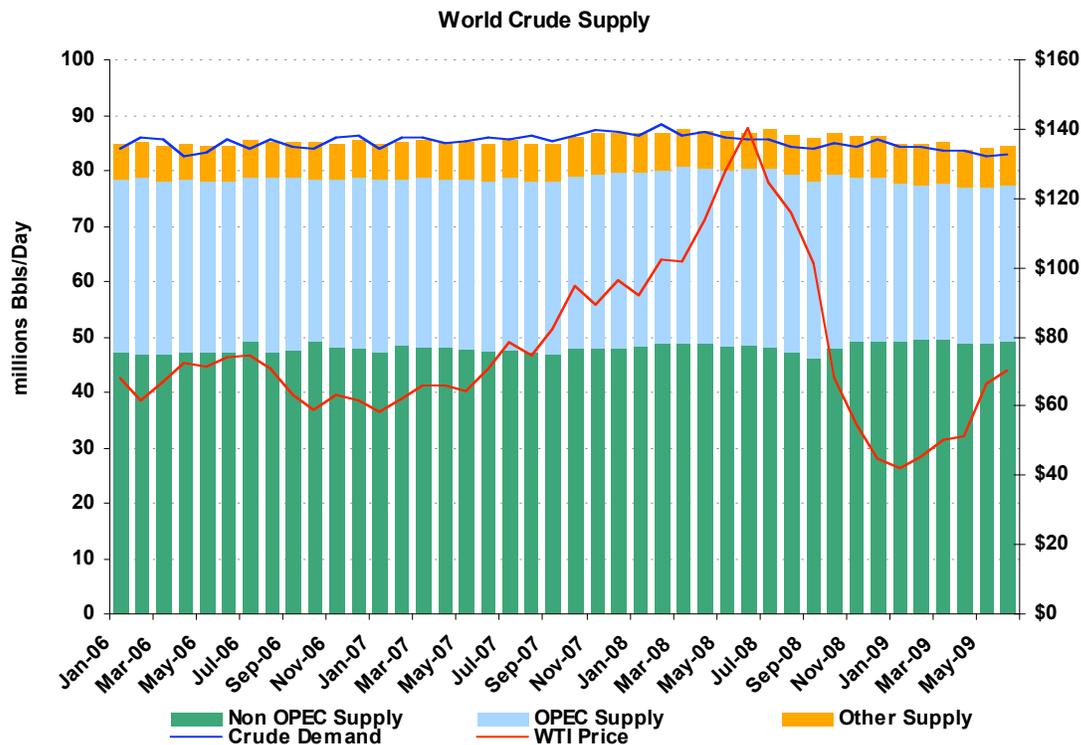
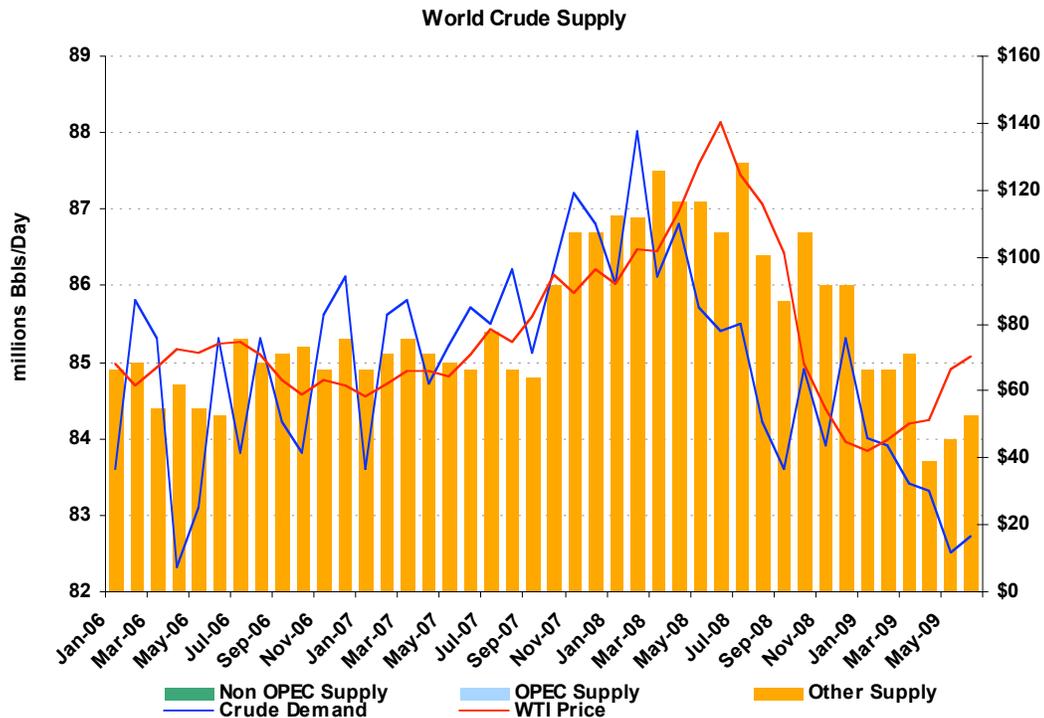




Exhibit 5

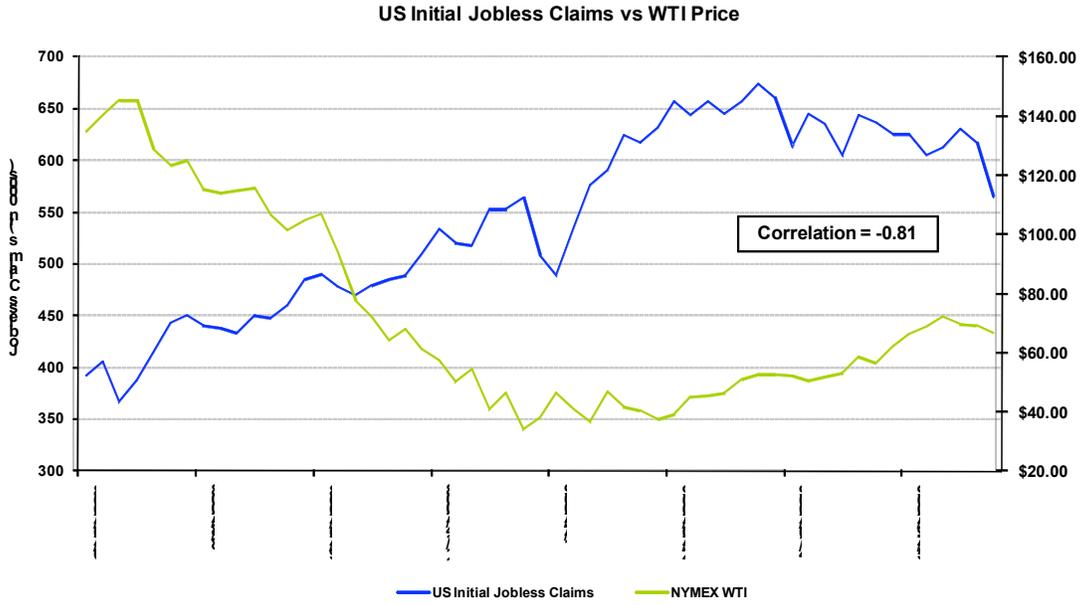


Some are of the view that oil prices do not reflect supply and demand fundamentals and that there is a lower, “true” price at which oil should trade. However, commodities are not priced based on production cost, but on what the market will bear. ***No product sells below its long-run replacement cost for any length of time.*** There exists broad consensus that sustained price levels above \$70 are required to make development of new sources of oil - as well as renewable technologies - cost effective. This is a key point in our energy policy debate. Low prices do not encourage or support the investment in alternative sources of energy, and artificially low prices only serve to camouflage the need for those investments, leading to disastrous results in the event that such price signals are not delivered in a timely manner. Finally, the many complex geopolitical factors at work in the global crude oil market, including a supply cartel, challenge the very idea of a “true” oil price.

In addition to supply and demand fundamentals, economic fundamentals play a role in shaping the price of energy commodities. One such indicator that participants in virtually all markets whether commodity, equity, fixed income, etc. look to as a signal of economic health for the U.S. is the weekly initial jobless claims report. Exhibit 6 below shows that such data influences projections for future demand for energy resources.



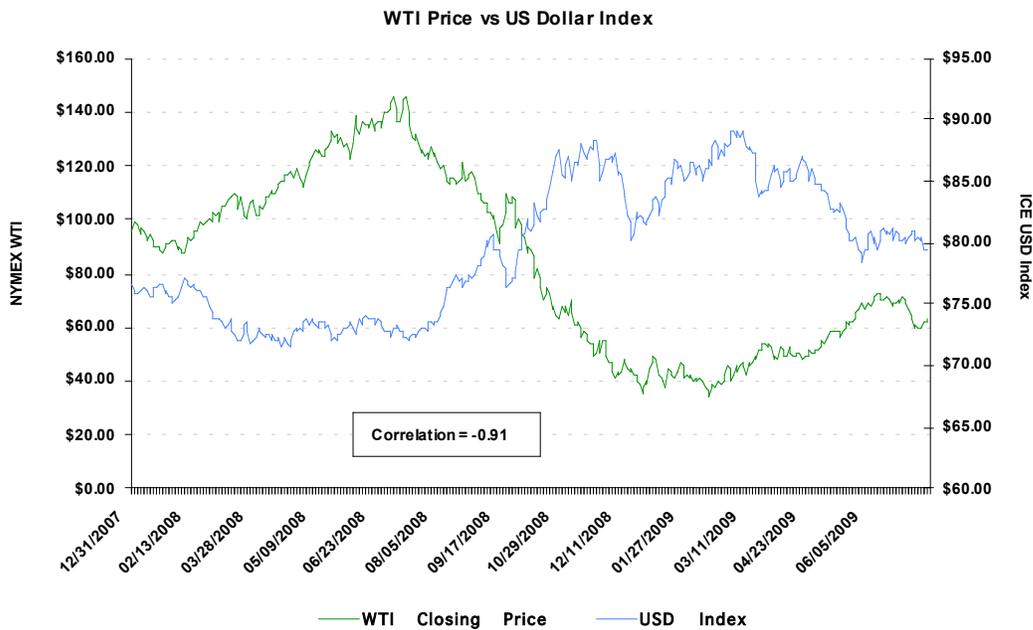
Exhibit 6





Another closely watched indicator that unquestionably affects oil prices, is the value of the U.S. dollar. Global trade in crude oil is priced in U.S. dollars, regardless of the economy in which the transaction takes place. As such, crude oil futures can be an effective hedge against inflation and the falling value of the U.S. dollar. Exhibit 7 indicates that the WTI crude oil price and the U.S. dollar are inversely correlated to a very high degree of statistical significance. This is based on pure economics. In fact, last year with the weakening of the dollar and its effect on the purchasing power of oil, several economies threatened to change the functional currency of oil to the Euro to prevent price swings. Currency is just another of the many issues impacting oil prices.

Exhibit 7



Annex C: Foreign Boards of Trade

ICE acquired the International Petroleum Exchange (IPE) in 2001. At the time, the U.K. FSA-regulated IPE was a twenty-year-old floor-based exchange with no electronic trading system for its flagship Brent crude oil contract. In 2003, the ICE futures platform was deployed by the IPE and a small share of Brent volumes began trading electronically. As electronic volume continued to grow, as it had already done in most markets, floor hours were gradually curtailed, electronic volumes soared, and the IPE floor was ultimately closed in 2005.

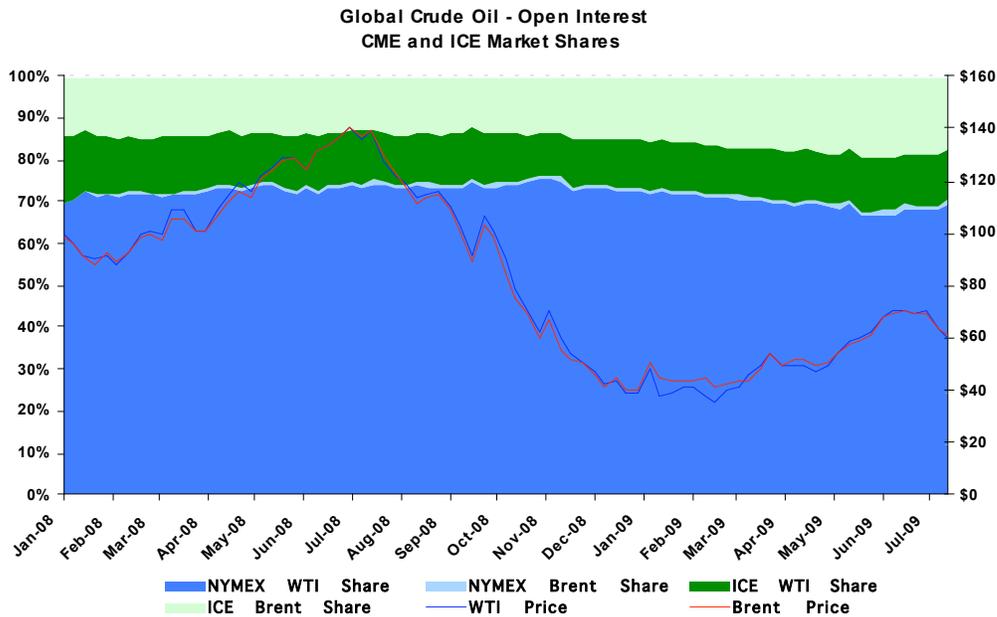
For the first time, the global oil industry experienced the benefits of electronic trading, including improved bid/ask spreads in markets, price transparency, and efficiency while



the IPE’s principal competitor, the New York Mercantile Exchange (Nymex), remained committed human intermediated open outcry trading. Open outcry markets lacked the visibility, access and transparency of screen-based markets, and were subject to slippage in execution price. As a result, Nymex customers increasingly asked the IPE to offer an electronically traded version of the WTI crude oil contract. In February 2006, the IPE, by then renamed “ICE Futures Europe”, launched a WTI futures contract that cash settles on the penultimate (next-to-last-day) Nymex settlement price. Volume grew rapidly, from an initial daily average of 41,858 lots to 169,653 lots in October of that year. Over that nine-month period, the price of WTI crude oil fell 10% from \$65.37 per barrel to \$58.73 per barrel.

Eventually, Nymex was forced to migrate most of its WTI crude oil trading to the CME Globex electronic trading platform, with significant benefits to end market users, and was ultimately acquired by the CME in August 2008. ICE retained a stable, though small, share of the global WTI crude oil business. As measured by open positions (including futures and options on WTI) ICE’s market share has consistently hovered around 15% regardless of the price of oil, as shown in Exhibit 8.

Exhibit 8



As ICE’s WTI contract settles on a penultimate basis, its share of ‘last day’ WTI open interest is, zero. This means that on the day that the WTI contract settles each month; there are no positions on ICE Futures Europe. **Furthermore, 70% of positions (open**



interest) in ICE WTI are held by participants that fall within the Commission’s commercial category -- this is significantly higher than the 54% of positions held by commercials in the CME/Nymex WTI contract. Based on these facts, there is no evidence to support implications that the ICE WTI contract is a “safe harbor” for excessive speculation, or that speculators have moved en mass to U.K. markets in search of “regulatory arbitrage” or fictitious “London loopholes.”

The ICE WTI Futures contract was developed in conjunction with the needs of the physical hedging community and is attractive to a range of market participants because of its design. Some participants use the ICE platform for a variety of other business and prefer to use ICE as a ‘one stop shop’ for managing risk in futures and OTC energy markets across their global derivatives trading desks that often operate around the clock across Asia, Europe and the U.S. Some take advantage of margin offsets between ICE’s Brent and WTI futures contracts and/or to hedge the risk of changes in the spread between the outright prices of Brent and WTI. Others prefer to trade the ICE WTI contract because, like the ICE Brent contract, it is cash-settled and therefore the most effective mechanism available today for hedging the Nymex WTI settlement price in a cleared, transparent and regulated market.

Exchange marketplaces are increasingly global entities. As noted, ICE purchased ICE Futures Europe in 2001. Today, U.S. exchanges, excluding ICE, own stakes in more than a dozen foreign marketplaces based outside of the U.S. ranging from Qatar and Dubai to India, Korea and Brazil. These investments have been made as the competitiveness of the exchange landscape has expanded to a global scale and are based not only on technology, but products, liquidity and new markets in emerging economies. Exhibit 9 below highlights the many global acquisitions and partnerships that have been forged by U.S. exchanges. It is important for the U.S. to implement policies that allow U.S. exchanges to help shape global markets.



Exhibit 9

Strategic Partnerships, Acquisitions, and Alliances				
	<u>Date</u>	<u>Percent Owned</u>	<u>Cost of Stake</u>	<u>Location of Partner</u>
<u>NASDAQ</u>				
Brut, LLC	Sep-04	100%		US
Borse Dubai Limited - OMX	Feb-08	100%	\$4.3 billion	UAE
Dubai International Financial Exchange	Feb-08	33.33%	\$50 million	UAE
Philadelphia Stock Exchange	Jul-08	100%		US
Boston Stock Exchange	Aug-08	100%		US
Nord Pool ASA Clearing, International Derivates, and Consulting Subsidiary	Oct-08	100%		Nordic Countries
International Derivatives Clearing Group (IDCG)	Dec-08	81%		US
European Multilateral Clearing Facility N.V. (EMCF)	Jan-09	22%		Europe
Agora-X	Jun-05	20%		US
<u>NYSE</u>				
Archipelago Holdings	Apr-05	100%		US
National Stock Exchange of India	Jan-07	5%	\$115 million	India
Luxembourg Stock Exchange (executed master agreement)	Mar-07			Europe
SecFinex	Mar-07	51%		Europe
Euronext NV	Apr-07	100%		Europe
Bovespa	Oct-07	1%		Brazil
BDS (partnership)	Oct-07	50%		US
BlueNext	Oct-07	60%		Europe
Multi Commodity Exchange	Feb-08	5%		India
Abu Dhabi Securities Market (Cooperative Agreement)	Mar-08			UAE
Doha Securities	Jun-08	20%-25%	\$200-250 million	Qatar
Memoranda of Understandings with the following exchanges:				
Dalian Commodity Exchange				China
Zhengzhou Commodity Exchange in China				China
Tel Aviv Stock Exchange				Israel
Philippine Stock Exchange				Philippines
LCH Clearnet Ltd. (clearing relationship)	Oct-08			Europe
American Stock Exchange	Oct-08	100%		US
Atos Euronext Market	Aug-08	100%	\$255 million	Europe
<u>CME</u>				
BM&F		5%		Brazil
ConfirmHub				US
Dubai Mercantile Exchange (DME Futures Exclusivity)	Feb-09			Dubai
NYMEX Holdings	Aug-08	100%	\$7.7 billion	US
Green Exchange (Joint Venture)	Jun-05			US
Korea Exchange (List KOSPI 200 Futures)	Jun-05			Korea
CBOT Holdings	Jul-07	100%	\$11 billion	US
Singapore Exchange Limited	Oct-06			Singapore

Finally, many non-U.S. products are offered by U.S. exchanges. Certainly, the key commodities listed by ICE Futures U.S. are no longer primarily U.S. production or consumption markets. Countries such as Asia and India are drivers of our global economy, yet because of the U.S.'s effective market model, we maintain key trading markets. In British interest rates, a U.S. exchange is the primary market for Eurodollar rates. The U.S. should recognize its role in global markets and that the concept of "U.S. markets" has not existed for many years.