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BY ELECTRONIC TRANSMISSION

Submission No. 18-322
March 26, 2018

Mr. Christopher J. Kirkpatrick
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

**Re: Amendment to Sugar No. 11® Rule 11.08(5)(d)--
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6(a)**

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the "Act") and Commission Regulation 40.6(a), ICE Futures U.S., Inc. ("IFUS" or "Exchange") hereby self-certifies the amendment to Rule 11.08(5)(d) set forth in Exhibit A. The amendment provides that the receiver of sugar under an Exchange Sugar No. 11 futures contract from an origin country covered by the CAFTA-DR trade agreement ("CAFTA"), guarantees to the deliverer that the sugar will not be sold or brought into the U.S. under the tariff rate quota ("TRQ") set for that country under CAFTA. CAFTA is a US trade agreement with Central American countries and the Dominican Republic. Pursuant to the agreement, each participant country is allocated a TRQ, which provides for a reduced tariff rate on a limited quantity of sugar imported into the U.S. from that origin.

Currently, the tariff on sugar brought into the U.S. under a TRQ is approximately 6.25 cents per pound, whereas once the allocated quota has been used up, the tariff jumps to approximately 15.25 cents per pound. Most participant countries have TRQ certificates of eligibility that are used for the importation of quota eligible sugar to the U.S. In the absence of such certificates in certain CAFTA countries, it is commercial practice for the origin to allocate among producers the TRQ quantity set by the U.S. for the origin, and such TRQ-eligible sugar typically trades commercially at some premium to non-TRQ-eligible sugar from the origin.

The Sugar No. 11 rules do not currently prohibit sugar received in an Exchange delivery from being imported to the U.S. under a CAFTA TRQ. This creates a disconnect between the Exchange's contract terms and commercial practice due to the premium TRQ eligible sugar commands in the commercial market. The disconnect could discourage delivery of sugar from the CAFTA origins in certain conditions (i.e., when a TRQ amount for an origin remains open), because the deliverer under an Exchange contract would not be compensated for any premium that TRQ-eligible sugar would receive in the commercial market. Absent any prohibition in the Exchange rules, the deliverer is unable to prevent the receiver from importing such sugar into the U.S. under a TRQ. For those reasons, the Exchange's World Sugar Committee unanimously recommended, and the Board adopted, an amendment under which the receiver guarantees to the deliverer that sugar received in an Exchange delivery from a country that is a party to the CAFTA agreement (other than the U.S.) will not be shipped to the U.S. under a CAFTA TRQ . This provision mirrors a provision in paragraph 5(b) of the Rule which applies to EU sugar based on the EU raw sugar tariff regimes.

As described above, the purpose of the amendment is to conform the contract to existing commercial practice and not to impose new burdens or practices; a receiver can still commercially sell sugar received in an Exchange delivery into the U.S. , but cannot treat it as coming in under the TRQ. In determining to adopt the amendment, the Exchange considered a number of factors in addition to the concerns described above, including the following: a very small percentage of sugar is covered by the CAFTA quota and therefore the amendment is highly unlikely to impact the price of sugar under Exchange contracts; a receiver does not know whether or not it is getting quota sugar until the time of delivery, so there is no opportunity to "game" the system in advance of delivery; and the U.S. government (not the Exchange) sets the quota level and the origin countries each have their own methods for allocating it among their producers. Additionally, while the Exchange has concluded that the amendment will not materially impact the price of the Sugar No. 11 futures contract or the quality of merchandise that is deliverable, the decision was made to defer implementation until after the end of the 2018 CAFTA year, and apply the amendment to the first contract month thereafter, which is the March 2019 contract.

In reaching its decision to amend the rules, the Exchange has reviewed the Core Principles and determined that the amendment implicates the following Core Principles:

Core Principle 4-Prevention of Market Disruption: The amendment reflects the Exchange's ongoing monitoring of the appropriateness of the Sugar No. 11 contract's terms and conditions, and codifies the resolution of a condition that could impact physical delivery by discouraging the delivery of sugar from certain origins. As such, it is consistent with the requirements of the Core Principle and the interpretative guidance to the Core Principle contained in Appendix B to Part 38 of the Commission's Regulations.

Core Principle 19-Antitrust Consideration: For all the reasons discussed above, the Exchange has concluded that the amendment does not impose an unreasonable restraint on trade or impose a material anticompetitive burden on trading, and therefore it is consistent with the Core Principle.

The Exchange is not aware of any opposing views and certifies that the amendment to Rule 11.08 complies with the requirements of the 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/futures-us/regulation#Rule-Filings).

If you have any questions or need further information, please contact me at 212-748-4083 or at Audrey.hirschfeld@theice.com.

Sincerely,

Audrey R. Hirschfeld
SVP and General Counsel

EXHIBIT A

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

Rule 11.08. Obligations of the Receiver and Deliverer

* * *

(5) Receiver guarantees to Deliverer:

(a) That no sugar received under this contract will be used in country of origin. (Except in the case of sugar delivered of United States origin.)

(b) That if the sugar originated in a country which, at the time of delivery, is subject to any of the tariff quotas and preferential agreements referred to in Commission Regulation (EC) No. 950/2006 of 28 June 2006 (Official Journal of the European Union No. L178 of 1.7.2006) as amended from time to time, it will not be shipped to any of the states of the European Union.

(c) That if the sugar be the product of a country that is a member of the European Union, such sugar will not be shipped to any other member country of the European Union.

(d) That if the sugar be the product of a country (other than the United States) that is a party to the CAFTA-DR (Dominican Republic-Central America FTA) agreement ("CAFTA"), such sugar will not be shipped to the United States under a CAFTA tariff rate quota.

(6) In the event a Receiver requests a document from a Deliverer which is not required to be provided under the Sugar No. 11 delivery rules and it is possible that such document may be obtained by the Deliverer, the Deliverer shall provide the requested document at the earliest possible date and at a cost to the Receiver which is not to exceed the cost incurred by the Deliverer in obtaining the document per the custom of the trade.