

 **ICE** FUTURES U.S.
World Financial Center
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BY ELECTRONIC TRANSMISSION

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OFFICE OF THE SECRETARIAT

Mr. David A. Stawick
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: **Amendments to EFP/EFS Procedures -
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 the procedures for reporting and submitting EFP/EFS transactions.

The new procedures allow floor brokers, clearing members and third party brokers to utilize ICEBlock for the purpose of entering exchange for physical ("EFP") and exchange for swap ("EFS") transactions on the ICE Electronic Platform. A full description of the ICEBlock procedures is attached as Exhibit A.

The ICEBlock procedures are being implemented on a staggered basis, initially, one clearing member at a time. Floor brokers and authorized third party brokers will be given access after all clearing members have been trained to use the system. The first clearing member was given access on October 12, 2007. The Exchange certifies that procedures comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder. No substantive opposing views were expressed by members or others with respect to the procedures.

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

Sincerely,

Jill S. Fassler
Vice President
Associate General Counsel

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

**ICE Futures U.S., Inc.
ICEBlock Procedures**

ICEBlock will be utilized to post and enter EFP and EFS transactions. Clearing Members, Floor Brokers and authorized third party brokers will be able to utilize ICEBlock to process EFPs and EFSs.

Access to ICEBlock

All Clearing Members and Floor Brokers and other users who have executed an Electronic User Agreement ("EUA") with ICE Futures US can receive access to ICEBlock. Any other third party broker who requests access to ICE Block solely for the purpose of entering EFPs/EFSs on behalf of ICE Users must execute the ICE Futures US ICEBlock Access and Use Agreement. ICE Futures US will review all requests for access to ICEBlock. Once approved the Broker entity will then be able to authorize individual employees for ICEBlock access and User IDs and passwords will be assigned.

The "Risk Manager" as identified by each entity that has access to the ICE trading platform will need to permission the Broker entity to enter EFP/EFS transactions in ICEBlock on its behalf. All transactions entered by the Broker entity will be guaranteed by the clearing member who guarantees the Responsible Individual (RI) associated with the account(s) on behalf of which the transaction is entered.

The clearing member must coordinate with its customer's Risk Manager when initially selecting and permissioning a third party broker entity to submit transactions to ICEBlock on its customer's behalf.

Transaction Entry

The permissioned Broker entity will enter an EFP/EFS transaction into ICEBlock:

If the transaction is between two customers of the same clearing member, then the permissioned Broker entity will enter both sides of the transaction being allocated to the same clearing member with the appropriate customer accounts (both sides of the transactions must be entered with an account designation). Both customers would have had to permission the entering Broker entity.

If one side of an EFP transaction is to be allocated to another clearing member, there are two ways this transaction could be entered into ICEBlock.

1 – The Broker entity must enter one side of the transaction with the clearing member and account designation of the customer that has permissioned it and the other side of the transaction with a holding account designation that has been set up by the clearing member in the name of the customer or the clearing member for this purpose. This holding account would hold the transaction until it is given up to the proper clearing member in PTMS. The clearing member with the holding account must permission the Broker entity for this holding account so that the transaction can be so designated.

EXHIBIT A

2 – The Broker entity must enter one side of the transaction with the account designation of the customer that has permissioned him and the other side of the transaction would be entered with the clearing member number of the firm that is to clear the trade. The Broker entity can also enter the account number of the opposite firm's customer, if known.

ICEBlock will transmit these EFP/EFS transactions to ECS as a Matched and Allocated transaction. Once Clearing has received the transaction, the clearing member then can accept or challenge the transaction or allocate one side to another clearing member through PTMS or the FixML feed. If the opposite clearing member accepts the allocation, it will clear at that clearing member.

If an EFP/EFS is entered into ICEBlock with an opposite clearing member and that opposite clearing member challenges the allocation, neither side of the EFP/EFS will clear. If an EFP/EFS is entered into ICEBlock with the same clearing member on both sides of the transaction, and the clearing member accepts both sides, the transaction will clear. If one side of the transaction is allocated to another clearing member, it will clear at the allocated clearing member if accepted, however if the allocated firm challenges the give-up, then neither side of the EFP/EFS will clear.

Clearing members must proactively accept or challenge all ICEBlock EFP/EFS transactions submitted to them for clearing. Please be reminded that if you do not accept or challenge a transaction it will be automatically accepted at the end of the trading day.

If a transaction is corrected the next day via a MA, the MA must include the account number from which the cleared transaction is being removed.

Posting an EFP/EFS transaction

Once an EFP/EFS transaction is entered into ICEBlock, it will automatically be transmitted to the ICE Ticker. EFP/EFS volume will be distributed over the ICE ticker as well.