

 **ICE** FUTURES U.S.
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BY ELECTRONIC TRANSMISSION

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OFC. 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: **Request for Commission Rule Approval: Amendments to Rule 13.08 -
Submission Pursuant to Section 5c(c)(2) of the Act and Regulation 40.4(a)**

Dear Mr. Stawick:

Pursuant to Section 5c(c)(2) of the Commodity Exchange Act, as amended, and Commission Regulation 40.4(a), ICE Futures U.S., Inc. ("Exchange") is requesting approval of amendments to Rule 13.08, attached as Exhibit A.

The amendments to Rule 13.08 provide for a fixed, daily price limit for all FCOJ futures contract months other than the current futures month during its notice period. The daily price limit will be set at ten cents per pound above and below the prior day's Settlement Price for each contract month, with the further provision that the daily price limit would expand to twenty cents above and below the prior day's Settlement Price on the business day following any day on which the Lead Month (defined in the Rule as the contract month with the highest open interest) has settled at limit up or limit down. Options on FCOJ futures will continue to have no daily price limits.

The proposed new daily price limits would replace the current provisions under which members of the Floor Committee exercise significant discretion in determining when an interim daily price limit level has been reached, which determination then triggers a brief halt in trading and then a resumption of trading with an expanded price limit. The current provisions are not supported by the electronic trading platform because the electronic system can only support a single, fixed daily price limit and not several succeeding limits during a trading day.

The Exchange certifies that the amendments comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder. The amendments will become effective after approval by the Commission for all currently listed and subsequently listed FCOJ contract months.

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
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 out.)

Rule 13.08. Price Limits

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

(i) *The Lead Month.* The futures delivery month carrying the most open interest;

(ii) *Limit Move* shall be deemed to have occurred on any trading day when the Daily Settlement Price of the Lead Month is ten cents (10¢) per pound above or below the Settlement Price for such month on the previous trading day.

~~[(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 Exchange.~~

~~(d) The limits specified in paragraph (e) of this Rule shall be applicable when both open outcry and electronic trading sessions are open. When only the electronic trading session is open, only one (1) limit move, either ten cents (10¢) or twenty cents (20¢) whichever is applicable, above or below the Settlement Price shall be permitted.]~~

(eb) Limits

(i) *10¢ Move*

(A) The price limit for any month shall be ten cents (10¢) per pound above and below the Settlement Price for such month ~~[of the preceding trading session]~~ on the previous trading day. [If the price for 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 each month shall be ten cents (10¢) per pound above and below the price of that month at the time of the suspension and, if 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)(i)(A) of this Rule. The foregoing procedure shall continue during each day of trading in a Lead Month in the same manner so that when the price for the Lead Month reaches the then price limit there shall be a suspension and a resumption of trading in accordance with subparagraph (e)(i)(A) of this Rule at a price limit of ten cents (10¢) per pound above and below the price in 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.]~~

EXHIBIT A

(ii) *20 ¢ Move*

~~(A) [In the event of a sixth (6th) or more consecutive limit move in the same direction, each month limit will be twenty cents (20¢) per pound above and below the price of such 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)(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.]~~

On the trading day following a Limit Move, the price limit for any month shall be twenty cents (20¢) per pound above and below the Settlement Price for such month on the day of the Limit Move.

Once the daily trading limit has expanded to twenty cents per pound under this Rule, the limit shall remain at twenty cents per pound until the Lead Month settles at a price which is less than twenty cents per pound above or below the prior day settlement price of such contract, in which case the daily trading limit will revert to the ten cent limit on the next trading day.

(c) Notwithstanding the above, there shall be no price limits on the current futures month on or after the First Notice Day, or on FCOJ Options at all.

~~[(f) 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.]~~