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ICE FUTURES U.S.
World Financial Center
One North End Avenue
New York, New York 10282

BY ELECTRONIC TRANSMISSION

Submission No. 08-29
May 6, 2008

Mr. David 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 Disciplinary Rule 21.02 and Electronic Trading Rule 27.02 and Appendix I – Error Trade Policy - 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 Rules 21.02 and 27.02 and the Electronic Trading Error Trade Policy set forth in Appendix I of Chapter 27, attached as Exhibit A.

Amendments to Rule 21.02

In accordance with the Exchange's Block Trade procedures, all Block Trades must be reported to the Exchange within five (5) minutes of execution. In order to enforce this requirement in an efficient manner, Rule 21.02 was amended to authorize the Vice President of Market Regulation to take summary action against individuals failing to report Block Trades within the required five (5) minute period. Violators will be issued a warning letter for their first offense followed by increasing fines of less than $1000 for each subsequent violation. Habitual violators who reach the $1000 cap will be referred to the Exchange's Business Conduct Committee for additional sanctions.

Amendments to Rules 27.02 and the Electronic Trading Error Policy

The amendments change the definition of the term "Anchor Price". The Exchange determines parameters above and below an Exchange set Anchor Price for each Contract within which an electronic trade shall not be cancelled. Prior to the amendments, the Anchor Price was based upon the front delivery month in a particular contract. The amendments change the definition in order to provide a more accurate measure of market value by giving the Exchange's Market Supervision Department the ability to use the contract month with the most open interest when the front delivery month becomes illiquid near expiration.

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

The amendments were adopted by the Exchange's Board of Directors by written unanimous consent in accordance with Bylaw Section 4.7 on May 1, 2008. The amendments will go into effect on May 13, 2008. 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 212-748-4084 or jill.fassler@theice.com.

Sincerely,

Jill S. Fassler
Vice President
Associate General Counsel

cc: Division of Market Oversight
New York Regional Office

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

Rule 21.02. Compliance Staff — Powers and Duties

* * *

(e) Notwithstanding the provisions of paragraph (d) of this Rule, if in any case, the Vice President concludes that a violation of any trading card or order ticket record keeping rule, [~~or~~] a violation of Rule 4.25(b) for which the Floor Committee has not taken any action, <u>or a violation of Rule 4.31(c)</u> may have occurred, the Vice President may impose a summary fine of no more than one thousand dollars ($1,000) after one (1) warning letter has been issued to the Member for the same violation, and, if in any case, the Vice President concludes that a violation of Rule 27.05(a)(i) may have occurred, the Vice President may impose a summary fine of no more than one thousand dollars ($1,000). The authority to impose such a summary fine does not limit the Vice President's authority to refer the matter to the BCC instead of imposing a summary fine. A summary fine imposed in accordance with this paragraph shall become final and effective and payment shall become due and owing to the Exchange fifteen (15) calendar days after the Member receives the fine.

Rule 27.02. Definitions

As used in this Chapter the following terms shall have the meanings indicated:

(i) "Anchor Price" shall mean the price set by the Exchange [~~based on the front delivery or expiration month~~] from which Reasonability Limits and No Cancellation Ranges are determined. <u>The Anchor Price shall be based on the front month, provided however, that, when the front month nears expiration, the Anchor Price will based on delivery month with the most open interest. The determination as to when to shift the Anchor Price based on open interest will be made by the Exchange. The Anchor</u> [~~The~~] price may be the prior day's settlement price, the price of the Opening Match or the last traded price of the front delivery or expiration month as determined by the Exchange. The Anchor Price of each successive expiration or delivery month is determined by applying spread differentials against the Anchor Price.

[REMAINDER OF RULE UNCHANGED]

APPENDIX I

ERROR TRADE POLICY

* * *

2. Main Components of Policy

* * *

C. There is a defined no-cancellation range for each Contract. Trades executed within this price range will not, under normal circumstances, be cancelled. A component of market integrity is the assurance that once executed, except in exceptional circumstances, a trade will stand and not be subject to cancellation. Any trades that do not have an adverse effect on the market should not be able to be cancelled, even if executed in error.

The Exchange determines parameters above or below an Exchange set anchor price for each Contract within which a trade alleged as an error trade may not be cancelled. Such parameters are known as a 'no cancellation range'. The no cancellation range applicable to each product traded on the ETS is listed in the table in Section 4.

The anchor price is set by the Exchange and is based on the front contract month[.], provided however, that, when the front month nears expiration, the anchor price will based on delivery month with the most open interest. The determination as to when to shift the anchor price based on open interest will be made by the Exchange. The anchor price may be the previous night's settlement price, the opening call price or the last traded price. The anchor price of the second contract month and successive months onward is achieved by applying spread differentials against the front month anchor price.

If a trade takes place within the no cancellation range and is alleged as an error, the trade will not be cancelled.

* * *

4. No Cancellation Range and Reasonability Limits

* * *

Anchor Price

The anchor price is set by the Exchange and is based on the front contract month[.], however, when the front month nears expiration, the Anchor Price will based on delivery month with the most open interest. The determination as to when to shift the Anchor Price based on open interest will be made by the Exchange. The anchor price may be the previous night's settlement price, the opening call price or the last traded price. The anchor price of the second contract month and successive months onward is achieved by applying spread differentials against the front month anchor price.

[REMAINDER OF POLICY UNCHANGED]