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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. 08-37
June 11, 2008

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 10.09 - Submission Pursuant to Section 5c(c)(2) of the Act and Regulation 40.4(a)**
and
Amendment to Rule 5.03(b)(v) - Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6

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 10.09, attached as Exhibit A, and is submitting, by written certification pursuant to Commission Regulation 40.6, amendments to Rule 5.03(b)(v), also attached as Exhibit A.

Rule 10.09

The amendments expand the current three cent (3¢) limit to four cents (4¢) and then to five cents (5¢) per pound when the Cotton No. 2 futures contract settles at either limit up or limit down. It should be noted that, after first notice day, the expiring delivery month is not subject to a daily price limit. When any two (2) of the first five (5) listed delivery months that are subject to price limits or the one (1) remaining delivery month in a crop year close at the 3¢ limit bid or limit offer, the daily price limit will expand to 4¢ on the next business day. When any two (2) of the first five (5) listed delivery months that are subject to price limits or the one (1) remaining delivery month in a crop year close at the 4¢ limit bid or limit offer, the daily price limit will expand to 5¢ on the next business day. When the price of either of the two (2) delivery months with the highest open interest settles at a price of eighty-four cents (84¢) per pound or higher, the daily price limit will expand an additional one cent (1¢) on the next business day.

The amendments also provide that the daily price limit will revert back to the preceding limit on the business day after no delivery month trades at the daily price limit then in effect. For example, if the daily price limit is 4¢ and no delivery month closes at the 4¢ limit, then the 3¢ limit will be in effect for the next business day.

The amendments define a crop year as the period beginning with the October futures delivery month in one calendar year and ending with the July futures delivery month in the next calendar year.

The amendments also impose a daily price limit for Cotton No. 2 options contracts which is equal to the daily price limit in effect for the futures contracts. Currently, Cotton No. 2 options contracts are not subject to any price limits.

Rule 5.03(b)(v)

The expansion of the daily price limits and having such limits applicable to options contracts eliminates the mandatory obligation of using synthetics when determining margin for futures and options contracts that are subject to price limits. Therefore, the amendment to Rule 5.03(b)(v) deletes the obligation to use synthetic prices for margin purposes, but maintains the Exchange's ability to use synthetics if it deems it necessary.

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

The amendments to Rules 10.09 and 5.03(b)(v) was adopted by the Exchange's Board of Directors on June 11, 2008, and

(i) with respect to the provisions of Rule 10.09 applicable to Cotton No. 2 futures contracts, the amendments will go into effect for all delivery months currently listed whether or not there is open interest and for all subsequently listed delivery months the business day after receipt of Commission approval,

(ii) with respect to the provisions of Rule 10.09 applicable to Cotton No. 2 options contracts, the amendments will go into effect for all option months currently listed whether or not there is open interest and for all subsequently listed option months, on a business date when the applicable technology systems is able to accommodate option price limits, and

(iii) with respect to the amendment to Rule 5.03(b)(v), the amendment will go into effect on Friday, June 13, 2008.

An opposing view was expressed with respect to the amendments to Rule 10.09. The opposing view was that no expansion from the current limits was needed.

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: Division of Market Oversight
New York Regional Office

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

Rule 10.09. Price Limits

(a) [~~*Current Futures Month and Options*~~] Futures

(i) There shall be no price limits in the current futures month on or after First Notice Day [~~or on Cotton No. 2 Options at all~~].

(ii) For the purposes of this Rule, a crop year shall mean the period beginning with the October futures delivery month of any calendar year and ending with the July futures delivery month of the following calendar year.

(iii) There shall be no trading in futures at a price more than three cents (3¢) per pound (or 300 points) above or below the previous day's Settlement Price.

(iv) Should two (2) or more futures delivery months within the first five (5) listed futures delivery months that are subject to daily price limits or the remaining futures delivery month in a crop year close at limit bid or limit offer, the daily price limits for all futures delivery months shall increase to four cents (4¢) per pound (or 400 points) on the next Business Day.

(v) Should two (2) or more futures delivery months within the first five (5) listed futures delivery months that are subject to daily price limits or the remaining futures delivery month in a crop year close at limit bid or limit offer while daily price limits are four cents (4¢) per pound, daily price limits for all futures delivery months shall increase to five cents (5¢) per pound (or 500 points) on the next Business Day.

(vi) If price limits are five cents (5¢) per pound and no futures delivery month closes at limit bid or limit offer, daily price limits for all futures delivery months shall revert back to four cents (4¢) per pound on the next Business Day. If price limits are four cents (4¢) per pound and no futures delivery month closes at limit bid or limit offer, daily price limits for all futures delivery months shall revert back to three cents (3¢) per pound on the next Business Day.

(vii) Should either of the two (2) futures delivery months with the highest open interest settle at eighty-four cents (84¢) or higher on any Business Day, then on the next Business Day the daily price limit then provided for all futures delivery months in accordance with subparagraphs (ii) through (v) of this Rule shall be expanded by an additional one cent (1¢) per pound (or 100 points).

(b) [~~*Futures*~~] Options

[~~Futures may trade at three cents (.03¢) above or below the previous session's Settlement Price; provided, however, whenever any of the two (2) futures contract months with the highest open interest settles at 84.00 or higher, then all months may trade at four cents (.04¢) above or below the previous session's Settlement Price.~~

~~(c) *Minimum Tick*~~
~~To the extent that the five (5) point minimum tick provision of Rule 10.08 is in effect, then any price limit in excess of 95.00 will require all trading above 95.00 to be done at the limit or at five (5) point intervals that do not exceed the limit.~~] Each Cotton No. 2 Options contract shall be subject to the same daily price limit that is in effect for the Cotton No. 2 futures contracts.

EXHIBIT A

Rule 5.03. Margin

* * *

(b) The minimum amount of Original Margin which must be obtained by Member Firms from other Persons for any account carrying Exchange Futures and/or Options Contracts shall be as follows:

* * *

(v) For purpose of margining any account carrying positions in Cotton and FCOJ Futures and Options Contracts, the net liquidating value of each account at the close of trading on any Business Day on which trading ceases because of the application of price limits [~~shall~~] <u>may</u> be computed by using as the Settlement Price such synthetic price as the Exchange and/or the Clearing Organization shall determine.

[REMAINDER OF RULE UNCHANGED]