From: Chris Russo <crusso@aglresources.com>
Sent: Monday, September 20, 2010 4:16 PM
To: dfadefinitions <dfadefinitions@CFTC.gov>
Subject: Comments of AGL Resources Inc. on Advanced Notice of Proposed Rulemaking on the Definitions Contained in Title VII of Dodd-Frank Act
Attach: AGLR Comments on CFTC SWAP Definitions NOPR.FINAL.pdf

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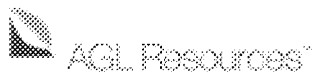
Dear Mr. Stawick,

Attached please find the comments of AGL Resources Inc. in response to the Advanced Notice of Proposed Rulemaking on the Definitions Contained in Title VII of Dodd-Frank Act.

Respectfully submitted,

Chris Russo
Manager | Regulatory Affairs



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VIA ELECTRONIC MAIL

September 20, 2010

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

Re: Advanced Notice of Proposed Rulemaking: Definitions Contained in Title VII of Dodd-Frank Wall Street Reform and Consumer Protection Act

Dear Mr. Stawick:

AGL Resources Inc. ("AGLR") hereby respectfully submits the following comments to the Commodity Futures Trading Commission ("CFTC" or "Commission") in response to the Advanced Notice of Proposed Rulemaking issued on August 16, 2010[1] involving the Definitions Contained in Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act" or "Act"), which provides for the regulation of swaps and security-based swaps by the CFTC and the Securities and Exchange Commission ("Proposed Rules").[2] The purpose of the Proposed Rules is to request comments from parties to assist in further defining certain key terms contained in Title VII of the Dodd-Frank Act.[3]

I. Executive Summary

AGLR appreciates the opportunity to comment on the Proposed Rules to implement the Dodd-Frank Act. With the implementation of the Act, the Commission has been charged, for the first time, with the comprehensive regulation of the financial

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[1] *Definitions Contained in Title VII of Dodd-Frank Wall Street Reform and Consumer Protection Act*, 75 Fed. Reg. 51,429 (August 20, 2010).

[2] *An Act to promote the financial stability of the United States by improving accountability and transparency in the financial system, to end "too big to fail", to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes.*; H.R. 4173; 111th United States Congress; July 21, 2010.

[3] Swap, security-based swap, swap dealer, security-based swap dealer, major swap participant, major security-based swap participant, eligible contract participant and security-based swap agreement ("Key Terms").

derivatives marketplace.[4] In doing so, the Commission, in a relatively short period of time, will promulgate rules which will broadly define how the market will function. This is a considerably complex undertaking. Comments and input from all interested and affected parties are critical throughout the entire process.

AGLR's comments will provide the Commission with input from the perspective of a diverse energy services holding company, whose business activities directly affect a wide variety of natural gas consumers across the industry. A primary concern for AGLR entails ensuring that the implementation of the Dodd-Frank Act does not reduce liquidity in the marketplace. Decreased liquidity will occur as hedging costs increase, and counterparty availability and market flexibility diminish. Furthermore, reduced liquidity will harm smaller companies that depend on more sophisticated third-parties for assistance with managing price exposure and commodity price volatility. These additional burdensome costs will ultimately be passed on to energy consumers. The Act did not intend for any new or modified regulations to be drafted in such a manner as to adversely affect consumers, or those entities who are merely attempting to hedge the commercial risk associated with commodity price volatility for the purpose of price assurance. However, rules that discourage hedging by market participants will result in decreased liquidity and increased costs to consumers without a corresponding benefit to the security of the financial markets.

Specifically, AGLR makes the following recommendations to the Commission on the Proposed Rules, which will be discussed in further detail as part of these comments below:

- Consistent with the Congressional intent of the Act, the Commission should adopt a clear End-User Exclusion and Gas Utility Exclusion under the Major Swap Participant and Swap Dealer definitions in any Final Rules, so as to not cause an increase in energy costs for consumers.
- The Commission should clarify that any End-User Exclusion and a Gas Utility Exclusion should extend to any company contractually acting on behalf of an excluded company to provide assistance in hedging commercial risk associated with gas supply, such as an asset manager.
- Consistent with the Congressional intent of the Act, the Commission should adopt a clear Commercial-Use Exclusion for bona fide hedging under the Major Swap Participant and Swap Dealer definitions in any Final Rules so as to encourage prudent business risk management, and should identify the market participants that hold a position that reaches an appropriate substantial risk threshold through a reporting requirement.
- Mandatory clearing, margin requirements and capital requirements should not be imposed on any excluded commercial entity, or alternatively, hedged parties should be exempt, so as to not impact the availability of capital, which will impede investment in the economy.

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[4] The CFTC along with the Securities and Exchange Commission, in consultation with the Board of Governors of the Federal Reserve System.

- Individualized credit arrangements entered into between counterparties in bilateral transactions should permit the use of non-cash collateral, so as to not cause an increase in costs to energy consumers, and negativly impact the availability of capital to the market.

II. Summary of AGLR and AGLR Interests

A. Summary of AGLR

AGLR was founded in 1856, is headquartered in Atlanta, Georgia, and employs approximately 2,500 individuals in 15 states. AGLR is a publically-traded company on the New York Stock Exchange under the ticker symbol "AGL". AGLR, through its subsidiaries, provides natural gas distribution, storage, marketing and asset management services to customers throughout the United States.

AGLR owns six natural gas utilities in the Southeast and mid-Atlantic regions of the country.[5] These utilities provide natural gas services to approximately 2.3 million residential, commercial and industrial end-use gas consumers. Each of these utilities use financial instruments to hedge the price risks associated with the often volatile natural gas commodity market.

AGLR is also the parent company of Sequent Energy Management, L.P. ("Sequent"). Sequent is in the business of purchasing and selling wholesale natural gas, and provides asset management, and other energy-related services, to customers throughout the United States and Canada. Sequent markets approximately 4.4 billion cubic feet of natural gas daily on over 80 different pipelines and storage facilities. Sequent also engages in commercial risk management through the use of a variety of derivative products, on behalf of itself and its customers.[6]

III. The Role of Financial Products in the Physical Natural Gas Market

For the most part, market participants in the natural gas industry, whether an end-user, gas utility, or marketer, enter into financial transactions to hedge price risk exposure to natural gas commodity prices. These companies assume a bona fide hedge position to address commercial risk. These companies are dependent on natural gas for their business and have definable price exposure associated with an increase or a decrease in the price of the commodity. These companies are "price takers" and use financial derivatives to "lay off" commodity risk. These companies are subject to the laws of

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[5] Atlanta Gas Light Company (Georgia), Elizabethtown Gas (New Jersey), Chattanooga Gas Company (Tennessee), Virginia Natural Gas, Inc., Elkton Gas (Maryland) and Florida City Gas.

[6] AGLR, through its subsidiaries, also develops, acquires, and operates storage assets in the Gulf Coast region of the United States, owns and operates liquefied natural gas storage facilities in Georgia, New Jersey, and Tennessee, and propane storage facilities in Virginia and Georgia. AGLR is also active in the unregulated retail natural gas markets primarily through SouthStar Energy Services LLC, a partnership between AGLR and Piedmont Natural Gas Company., and Compass Energy Services, Inc., a wholly-owned subsidiary.

supply and demand, and are captive to spot market natural gas prices. These companies are not in a position to accept the risk associated with an open physical position without having a corresponding offsetting financial position. These entities utilize financial derivative products for their intended purpose – to assume a bona fide hedge position to address commercial risk associated with an increase or decrease in the price of a commodity at some point in the future.

A. Natural Gas Utilities and Retail Customers

Natural gas utilities provide retail natural gas sales and delivery service to end-use customers for consumption. Gas utility customers are comprised of residential, commercial or industrial consumers. These retail consumers rely upon a gas utility to provide them with natural gas for use at a reasonable rate. These rates are often on a cost of service basis and are regulated by the state jurisdictional utility regulatory commission.[7] Increases in cost by the gas utility are ultimately passed on to these retail consumers.

As further discussed below, a gas utility may elect to engage an asset manager that specializes in gas supply procurement and the risk management thereof. An asset manager may enter into financial transactions to hedge commercial risks associated with gas supply to the utility, including price risks, and supply and demand volatility.

B. Industrials, Manufacturers and Other End Users of Natural Gas

Industrials, manufacturers and other end users of natural gas play a significant role in the natural gas market, and in the economy. End users purchase natural gas for use as fuel to produce goods or electricity for consumption by the public. Fuel is a considerable expense for these businesses and is accounted for in the cost of their end use product. The financial markets provide certainty to these users around their fuel manufacturing costs. Like gas utilities, end users also may often look to outsource their fuel procurement needs to a more sophisticated gas marketer, often in the form of an asset management agreement ("AMA"). This third party also assists end users with price risk management through use of financial derivative products.

C. Natural Gas Marketers and Asset Management

Natural gas marketers who primarily transact in the physical commodity market play a pivotal role in the natural gas industry and it is important for the Commission to take this segment into consideration in the development of its Final Rules. Hedging activities through the use of financial derivatives often go hand in hand with physical gas commodity supply for utilities, industrials and manufacturers, and other purchasers of natural gas. For physical commodity marketers, financial transactions entered into between a marketer and a customer are for the sole intent of mitigating market price risks associated with a corresponding physical purchase or sale transaction.

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[7] Depending on the state, certain eligible commercial and industrial customs may elect a third-party as their natural gas supplier or marketer.

Often, a marketer enters into a contractual relationship to manage gas supply requirements of a customer, typically under an AMA. An AMA commonly consists of an underlying gas purchase and sale agreement, in which an asset manager agrees to oversee and coordinate the supply and delivery arrangements, as well as the transportation/storage capacity and risk management, for another party. In practice, the customer 'hands over' the management of its pipeline transportation and/or storage capacity rights to the asset manager, in compliance with the Federal Energy Regulatory Commission's ("FERC") rules, policies and regulations. The asset manager then uses that capacity to serve the gas supply requirements of the customer, and, when the pipeline transportation/storage capacity is not needed for that purpose, the marketer may use the capacity to make sales to others, thus maximizing the utilization of the capacity.

Over the past fifteen years, the use of AMAs to assist gas utilities, industrials, and other end-users in managing all aspects of their natural gas supply needs has become widespread. These customers face relatively uncertain demand fluctuations in a continuously changing and volatile market, and generally do not often have a dedicated function to analyze the variety and complexity of market dynamics and efficiently procure natural gas volumes to meet their delivery obligations. AMAs, in essence, allow the management of fuel procurement by an expert in the field, all under mutually agreed upon bi-lateral terms. Utilities benefit from this by (i) avoiding the costs of maintaining systems and processes for an added function, and (ii) deriving additional revenue from capacity that they would otherwise have not used. Ultimately, the benefits are to its customers.

Not only have customers recognized the critical role that AMAs play in the natural gas industry, but so have governmental agencies, at both the federal and state level. For example, in the six states where the AGLR utilities operate, the jurisdictional state regulatory commissions have encouraged and/or approved the use of asset management services. The state commissions acknowledge the benefits that AMAs provide to the rate payers through reduced costs; and, in fact, the asset management arrangements entered into by the AGLR utilities have resulted in savings to customers of $140 million.[8] Furthermore, the FERC has also recognized that AMAs are beneficial to the marketplace and recently modified its rules, regulations and policies to facilitate the use of AMAs, and to provide natural gas companies greater flexibility to negotiate and implement AMAs[9]

IV. Comments on Proposed Rules and Key Terms

The Proposed Rules on their face do not necessarily reflect many of the directives of the Act, nor do they clearly capture the intent of the legislation, which is critical for the rulemaking process. In a letter dated June 30, 2010, Chairman Christopher Dodd, and Chairman Blanche Lincoln confirmed the intent on certain key definitions contained in

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[8] Savings to customers are realized by way of contribution to the applicable state's Universal Service Fund, or through the Purchased Gas Adjustment in the utilities' tariff.

[9] *Promotion of a More Efficient Capacity Release Market*, 123 FERC ¶ 61,286 (June 19, 2008), *on reh'g*, 125 FERC ¶ 61,216 (November 21, 2008), *on reh'g and clarification*, 127 FERC ¶ 61,051 (April 16, 2009).

the Dodd-Frank Act ("Dodd-Lincoln Letter"). The purpose of the Dodd-Lincoln Letter is clear: to provide regulators charged with implementing the Act insight on the intent of the legislation; specifically, Title VII, which contains the Key Terms. Congress clearly did not intend to capture end-users, gas utilities, or any company entering into financial transactions to manage commercial risk in the definitions of Major Swap Participant and Swap Dealer. It is important for these exceptions to be captured in any Final Rules issued by the Commission.

> *"Regulators must carefully follow Congressional intent in implementing this bill. While Congress may not have the expertise to set specific standards, we have laid out our criteria and guidelines for implementing reform. It is imperative that these standards are not punitive to end users, that we encourage the management of commercial risk, and that we build a strong but responsive framework for regulating the derivatives market"*[10]

The Dodd-Lincoln Letter provides considerable insight into the Congressional intent of the Act with respect to the applicability of the Key Terms. The Key Terms fall short of their intended purpose without taking into consideration the guidance to the regulators contained in the Dodd-Lincoln Letter. It is therefore important for the Commission to consider the points raised in the Dodd-Lincoln Letter in the development of its Final Rules. As demonstrated below, end users, gas utilities, or any company entering into financial transactions to manage commercial risk in the ordinary course of business, should be captured in a clear exclusion, where applicable, in any final Key Terms of the Final Rules.

A. The Final Rules Should Permit For A Blanket End-User Exclusion Under The Definition Of Swap Dealer and Major Swap Participant.

Clearly, Congress did not intend for the regulators to include end-users that use swaps to manage the commercial risk associated with their business in the definition of Major Swap Participant or Swap Dealers.[11] Congress did not grant the Commission the authority to include end-users in the definition of Major Swap Participant or Swap Dealers.[12] Absent this exclusion, the resulting additional costs, such as margin and collateral posting, associated with this requirement will unnecessarily increase costs for end users without any corresponding benefits, which will ultimately be passed on to consumers. It is therefore important for the Commission to capture such an exemption clearly in any Final Rules on the matter.

AGLR recommends that the Commission adopt a blanket End-User Exclusion under the definition of Swap Dealer and Major Swap Participant in any Final Rules; specifically, in Section (D) of the definition of Major Swap Participant, and in Section (C) in the definition of Swap Dealer. Further, this exclusion should extend to any company contractually acting on behalf of an excluded company to provide assistance in hedging commercial risk associated with gas supply, such as an asset manager.

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[10] *See* Dodd-Lincoln Letter at 4.
[11] Id.
[12] *See* Dodd-Lincoln Letter at 4.

B. Any Final Rules Should Permit For A Blanket Gas Utility Exclusion Under The Definition Of Swap Dealer and Major Swap Participant.

It is also clear that Congress did not intend to include gas utilities that use swaps to manage the commercial risk associated with their business in the definition of Major Swap Participant or Swap Dealer. The Dodd-Lincoln Letter noted that a gas utility "that purchases commodities…to supply gas to retail customers and that uses swaps to hedge or manage the commercial risks associated with its business" as a market segment that should be excluded from the Major Swap Participant and Swap Dealer definitions.

> *"For example, the Major Swap Participant and Swap Dealer definitions are not intended to include an electric or gas utility that purchases commodities that are used either as a source of fuel to produce electricity or to supply gas to retail customers and that uses swaps to hedge or manage the commercial risks associated with its business."*[13]

AGLR recommends for the Commission to adopt a blanket Gas Utility Exclusion under the definition of Swap Dealer and Major Swap Participant in the Key Terms of the Proposed Rules; specifically, in Section (D) of the definition of Major Swap Participant, and in Section (C) in the definition of Swap Dealer. Further, this exclusion should extend to any company contractually acting on behalf of an excluded company to provide assistance in hedging commercial risk associated with gas supply, such as a marketer acting as asset manager.

C. Any Final Rules Should Exclude A Company That Can Demonstrate A Bona Fide Hedged Position From The Definition Of Swap Dealer and Major Swap Participant.

In implementing the provisions of the Dodd-Frank Act, Congress expects the regulators to "maintain" that the regulations do not "capture" a company simply because it may use swaps to hedge risk in their "ordinary course of business." A company holding a bona fide hedge position should be eligible for a clear Commercial-Use Exclusion, consistent with the following:

> *"Congress expects the regulators to maintain through rulemaking that the definition of Major Swap Participant does not capture companies simply because they use swaps to hedge risk in their ordinary course of business."* [14]

The Key Terms do not exclude a company that uses swaps to hedge risk within the ordinary course of business, i.e., to hedge a physical commodity position with a financial position to mitigate identifiable market price exposure. The Commission should provide for a clear exemption in this case.

Section 721(a)(16) of Dodd-Frank provides that a Major Swap Participant "maintains a substantial position in swaps…excluding positions held for hedging or

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[13] *See* Dodd-Lincoln Letter at 3.
[14] *See* Dodd-Lincoln Letter at 3.

mitigating commercial risk." The term "substantial position" is clearly linked to the oversight of financial entities which are "systemically important or can significantly impact the financial system of the United States." Companies that primarily engage in the physical purchases and sales of gas and who engage in swaps primarily to hedge commercial risks associated with such physical business, are not the type of entities that impact the integrity of the financial system of the United States.

Therefore, the definition of "substantial position" should focus on "financial entities" as defined in Section 723(a)(3) of Dodd-Frank and should not inadvertently envelop physical energy companies.

Further, since the measure of a substantial position is net of swaps held for "hedging or mitigating commercial risk," the Commissions should define the term "commercial risk" to include those risks that swaps can mitigate. Since swaps are financially settling instruments, commercial risk in this context must include all financial or price risk. As such, the definition of "Commercial Risk" should include among others, commodity price risk, commodity price basis risk, risk of loss or supply or demand, credit risk, and currency risk."

Similarly, the proposed definition of Major Swap Participant is drafted to define the term "substantial position" as the threshold that the Commission determines to be prudent for the effective monitoring, management and oversight of entities that are systemically important or can or can significantly impact the financial system of the United States. Thus, "Substantial Position" should be defined to exclude those entities whose swap activities are primarily for hedging a physical position. As such, the definition of "Substantial Position" should focus on the net, unhedged position of a financial entity that is systemically important to the stability of the financial system of the United States or can significantly impact the financial system of the United States.

Determining net unhedged positions can be accomplished through a monthly reporting obligation to the Commission, which would contain the aggregate physical commodity position of a company participating along with their underlying aggregate financial position. Similar to the current CFTC Commitment of Traders Report, this report would clearly identify, on a net basis, a company holding a bona fide hedge position, or a net open position, and does not hold a substantal net open postion, per Section B of the proposed definition of Swap Market Participant.[15] These companies could qualify for a Commercial-Use Exemption under the Swap Market Participant definition in the Key Terms of the Proposed Rules; specifically, in subsection (D) of the definition of Major Swap Participant, as well as for an execption under Section (C) in the definition of Swap Dealer.

Inversely, a company that demonstrates a substantial threshold net open financial position through the reporting process should be regulated and should fall under the applicable definition of Major Swap Participant or Swap Dealer, and would not qualify for a Commercial-Use Exclusion. It is these entities that put the market at risk in

[15] Id.

situations of default, and these entities for which the protective measures of the legislation were intended. These companies are willing to accept the risk without having a corresponding offsetting position, and should not be placed in the same category as a company that is holding a responsible bona fide hedge position, and not creating any systemic risk in the market, and, is, in fact, keeping costs lower for consumers.

Further, a company holding a demonstrated bona fide hedge position should not fall under the definition of Swap Dealer. A Swap Dealer is a company that holds a position and dictates the bid/ask price at any particular time and for any particular product: a clearinghouse, a market maker, or a price maker. None of which is consistent with a company utilizing financial instruments to hedge a physical commodity position to mitigate identifiable market price exposure, or, a commercially exempt entity.

AGLR recommends to the Commission that a company demonstrating a bona fide hedge position through a reporting process, under Section (B) of the definition of Swap Market Participant, should be eligible for a Commercial-Use Exclusion, under Section (D) of the definition of Swap Market Participant. Further, Section (C) in the definition of Swap Dealer should also capture this exception and limit the definition of "Swap Dealer" to those entities that make markets, set prices and act as a clearinghouse for swaps.

Further, the Commission may avoid unintentionally sweeping in entities that are not market makers or whose business is primarily physical, through the De Minimis Exception. Such De Minimis Exception should include a reasonable de minimis threshold. Petitioner recommends a de minimis level of uncleared, unhedged swaps of no greater than 25% of such entity's total swaps position.

D. Mandatory Clearing, Margin And Capital Requirements Should Not Be Imposed On Any Excluded Commercial Entity.

Companies that utilize the financial derivatives instruments for the intended purpose of assuming a bona fide hedge position to address commercial risk should not be subjected to the definitions of Swap Dealer or Major Swap Participant; and, thus, should also not be subject to any mandatory margin and capital requirements, or mandatory clearing.

In the event the Commission elects to not afford exclusions to marketing companies who primarily engage in physical activities and who utilize financial instruments to hedge commercial risks, the Commission should nonetheless extend exemptions to such entities from any mandatory margin and capital requirements, or mandatory clearing.

Mandatory margin and clearing would unnecessarily raise the business costs for entities that directly provide services and products to the public, thus raising prices for consumers. For example, increased costs attributable to hedging natural gas by a utility for seasonal increases in demand, or by asset managers for price assurance under an AMA, will be passed on directly to its customers. Furthermore, mandatory margin and

credit requirements will tie up working capital, which could be allocated to further business expansion--this negatively impacts jobs, economic growth and recovery in the marketplace. In fact, protecting consumers from the burdensome costs associated with margin requirements and mandatory clearing is one of the single most consistent directives in the Act.[16]

AGLR recommends to the Commission that mandatory clearing, margin requirements and capital requirements should not be imposed on any excluded commercial entity, so as to not impact the availability of capital, which will impede economic growth by reducing investment in the economy.

E. Individualized Credit Arrangements Entered Into Between Counterparties In Bilateral Transactions Should Permit The Use Of Non-Cash Collateral.

It is critical for the rules to permit counterparties that willingly enter into bilateral agreements to use non-cash collateral. This is an important component of business risk management, which is why Congress encourages flexibility in this aspect of business. In fact, mitigating risk is "one of the most important reasons" for the passing of the Dodd-Frank Act.[17] AGLR encourages the Commission to pursue and capture the fundamental directives on this issue, consistent with the following Congressional intent of the Act:

> *"Congress recognized that individualized credit agreements worked out between counterparties in a bilateral transaction can be important components of business risk management. That is why Congress specifically mandates that regulators permit the use of non-cash collateral for counterparty arrangements with Swap Dealers and Major Swap Participants to permit flexibility."*[18]

AGLR recommends to the Commission that it should permit individualized credit arrangements entered into between counterparties in bilateral transactions to use non-cash collateral, so as to not cause an increase in costs to end-use energy consumers, and impact the availability of capital to the market.

V. Conclusion and Recommendations

The Dodd-Frank Act will establish broad changes and bring new oversight to areas of the commodity marketplace that have to-date not been included in the Commission's purview. While a chief goal of the Act is to protect consumers and markets through increased transparency, great care must be taken to ensure that the development and implementation of new policies and regulations do not decrease liquidity in the marketplace nor frustrate the ability of parties to legitimately utilize financial instruments to hedge commercial risk. Through its comments, AGLR has provided specific and meaningful insight that will assist the Commission in the decision-

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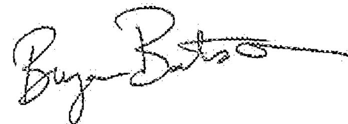
[16] *See* Dodd-Lincoln Letter at 2.
[17] Id.
[18] Id.

making process as it navigates the spectrum of reforms directed in the Dodd-Frank Act, and as proposed for implementation through the Commission's Advanced Notice of Proposed Rulemaking.

Consistent with the forgoing, AGLR respectfully submits the following recommendations on the Proposed Rules, and requests for the Commission to:

- Permit for a clear blanket End-User Exclusion and Gas Utility Exclusion in Section (D) of the definition of Major Swap Participant, and in Section (C) in the definition of Swap Dealer contained in the Proposed Rules;
- Clarify that the End-User Exclusion and Gas Utility Exclusion should extend to any company contractually acting on behalf of an excluded company to provide assistance in hedging commercial risk associated with gas supply, such as an asset manager;
- Adopt a clear Commercial-Use Exclusion under Section (D) of the definition of Major Swap Participant, and in Section (C) in the definition of Swap Dealer by identifying through a reporting requirement under Section (B) of the proposed definition of Swap Market Participant, market participants that hold a position that reaches an appropriate substantial risk threshold;
- Determine that mandatory clearing, margin and capital requirements should not be imposed on any excluded entity or alternatively, hedged parties should be exempt; and
- Clarify that individualized credit arrangements entered into between counterparties in bilateral transactions should permit the use of non-cash collateral.

Respectfully Submitted,



Bryan Batson
Senior Vice President,
Governmental and
Regulatory Affairs

Cc: The Honorable Gary Gensler, Chairman
The Honorable Scott D. O'Malia, Commissioner
The Honorable Jill E. Sommers, Commissioner
The Honorable Michael Dunn, Commissioner
The Honorable Bart Chilton, Commissioner