



INTERNATIONAL SECURITIES EXCHANGE.

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November 1, 2010

David A. Stawick  
Secretary  
U.S. Commodities Futures Trading Commission  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

Re: Trading and Clearing of Precious Metal Commodity-Based ETFs

Dear Mr. Stawick:

The International Securities Exchange, LLC ("ISE") appreciates the opportunity given by the Commodity Futures Trading Commission ("Commission") to comment on "(i) options for a proposed exemptive order in connection with The Options Clearing Corporation's ("OCC") request for approval of a rule change; and (ii) the Commission's treatment of precious metal commodity-based exchange-traded funds ("Commodity-Based ETFs") generally, including whether the Commission should exempt the trading and clearing of options and futures transactions on gold and silver, and/or palladium and platinum, Commodity-Based ETFs on a categorical basis."<sup>1</sup>

We appreciate the consideration the Commission is giving to provide a categorical Section 4(c) exemption for the trading and clearing of options and futures transactions on gold and silver, and/or palladium and platinum Commodity-Based ETFs. From our point of view there is no reason the Commission should not provide such a categorical exemption. In that respect, we fully support the comments submitted by the OCC, dated October 29, 2010.

In the Release, the Commission requests comments on whether on an individual or categorical basis, when presented with a request to allow options and futures on Commodity-Based ETFs, should the Commission include additional conditions and requirements, such as the imposition of large trader reporting obligations, position limits, or other analogous requirements when exempting options and futures on Commodity-Based ETFs from the Commission's jurisdiction. It is our opinion that the existing requirements imposed upon us as a securities exchange provide an adequate framework to address the Commission's concerns regarding effective regulation of interconnected markets. In particular, we believe that imposing a large trader reporting obligation is not necessary for reasons we have previously articulated.<sup>2</sup>

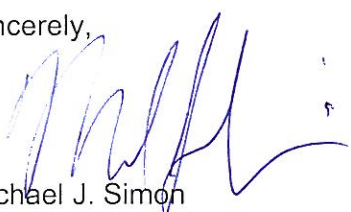
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<sup>1</sup> 75 F.R. 60411, September 30, 2010, the "Release."

<sup>2</sup> See Letter from Michael D. Simon to David A. Stawick dated May 17, 2010. We hereby incorporate by reference those comments into this letter.

We again thank you for the opportunity to comment on the Release. If you have any questions on our comments, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'M. J. Simon', with a long horizontal flourish extending to the right.

Michael J. Simon  
Secretary