BOK FINANCIAL
P. O. Box 2300
Tulsa, Oklahoma 74102-2300

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

Re: Comments on Proposal for Agricultural Commodity Definition

Dear Mr. Stawick;

BOK Financial Corporation (BOKF[1]) appreciates the opportunity to comment on the Commission's proposals for defining the term "agricultural commodity" in order to implement Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Act"). BOKF transacts agricultural commodity derivatives in a very limited way, but our ability to execute these transactions has a material impact on our agribusiness customers. It is from this perspective that we form our comments.

In your request for comment you ask six questions. We respond only to the sixth. At a high level, BOKF believes the nature and significance of a transaction should have more impact on whether the transaction is exempt than should the underlying commodity being transacted. As an example, BOKF transacts agricultural derivatives for our customers on a riskless principal basis. This poses no commodity risk to BOK, yet Section 723(c)(3)(A) of the Act would appear to prohibit BOKF from entering into such a transaction with our customers. This would seem to restrict our derivative activity even though we conduct trades as a riskless principal. Yet this risk management service helps intermediate both credit and liquidity from money center banks to mid-size businesses. We expand on this theme in our response below:

Responses to Posed Questions:

(6) As noted above, if the definition of an agricultural commodity is made effective upon the publication of a final rule, it would provide clarity as to what swaps are or are not eligible for the exemptions found in current CEA Sec. Sec. 2(g) and 2(h) until the point at which their repeal by the Dodd-Frank Act becomes effective. Is there any reason not to make the definition of agricultural commodity effective upon the

[1] BOKF is a $24 billion regional financial services company based in Tulsa, Oklahoma. The company's stock is publicly traded on NASDAQ under the symbol: BOKF. Our assets are centered in seven full-service banks - Bank of Oklahoma, Bank of Texas, Bank of Albuquerque, Bank of Arkansas, Bank of Arizona, Colorado State Bank and Trust and Bank of Kansas City. BOKF recognizes the importance of actions designed to assist in the stabilization of the nation's financial system. BOKF was the largest commercial bank in the country not to participate in the Treasury's Trouble Asset Relief Program (TARP).

publication of a final rule? Are there swaps currently being transacted under Sec. 2(g) or Sec. 2(h) that would be considered transactions in an agricultural commodity (and thus potentially, temporarily illegal) under the definition proposed herein? If so, should the effective date of the definition be postponed until the repeal of current CEA Sec. Sec. 2(g) and 2(h), for all purposes other than for the setting of speculative position limits, which will become effective prior to the repeal?

Prior to making the definition effective, BOKF strongly recommends the Commission expressly exempt from Section 723(c)(3)(A) transactions that hedge customer positions, irrespective of the underlying commodity. Failure to permit customer hedging will impair customers' ability to manage their risks and create incremental credit risk to banks whose customers can no longer hedge their commodity risks. If customer cash flows are more secure, lenders have greater confidence in their assessments and are more willing to lend. In some cases, BOK has required customers to hedge (with some entity, not necessarily BOK) in order to lend to them because management feels so strongly that hedging brings stability. Required hedging has also helped mitigate risk of problem credits. Failure to exclude certain commodities from Section 723(c)(3)(A) could result in lenders restricting loans available to customers in commodity businesses who cannot affordably execute sound risk management practices. Fewer loans, or more, less secure loans, would thwart existing efforts to increase loan availability and strengthen the safety and soundness of banks.

BOKF recognizes the invaluable liquidity benefits that CFTC regulated products give to risk management. However, we observe that financial institutions have a role of converting illiquid but valuable assets owned by companies with limited access to the capital markets into cash in the form of a loan or a derivative transaction where the financial institution bears first risk of any margin call. Futures Commission Merchants ("FCMs") do not provide these economic roles. As a result, if customers are forced to use non-bank FCMs exclusively in order to use derivatives for commodity-hedging and similar risk mitigation needs, many customers will lose the credit and liquidity assistance for these activities that banks provide, and will, we believe, be unable to enter into hedges that are beneficial both to the customer and to the broader economy.

We appreciate the Commissions work toward clarifying what constitutes an agricultural commodity and, therefore, specifies what can be transacted outside of the Commodity Exchange Act.

Sincerely

BOK Financial