



February 7, 2011

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

RE: Comments of the Independent Petroleum Association of America on
Swap Data Recordkeeping and Reporting Requirements,
RIN Number 3038-AD19

Dear Mr. Stawick:

In response to the above-referenced Notice of Proposed Rulemaking (NOPR) published in the December 8, 2010 *Federal Register*, the Independent Petroleum Association of America (IPAA) submits the following brief comments.

IPAA represents the companies that drill 90 percent of the nation's oil and natural gas wells. These companies produce 82 percent of American natural gas and 68 percent of American oil. To manage the risk associated with finding and producing natural gas and oil, IPAA members use derivatives. The vast majority of IPAA members are end users of derivative products to manage their commercial risk. IPAA supports a strong, clear exemption for end users from mandatory clearing and from margin and collateral requirements. IPAA supports reporting necessary to provide meaningful transparency and to give the Commodity Futures Trading Commission (CFTC) the tools necessary to monitor the over-the-counter market. However, IPAA does not believe that swaps entered into between end users should be subject to real-time reporting.

In line with these principles, IPAA endorses the comments filed in this proceeding by the Coalition of Physical Energy Companies (COPE). As COPE noted in its comments, end users maintain trading capabilities and associated information technology sufficient to meet commercial needs. IPAA members will work under these same constraints. Therefore, any reporting requirement should be evaluated based on the value of the data requested, relative to the burden imposed on the reporting entity.

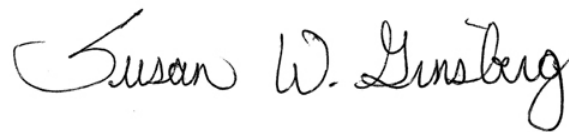
In the Swap Data Recordkeeping and Reporting Requirements NOPR, the CFTC would require all uncleared swaps to be reported to a Swap Dealer Repository (SDR), or to the CFTC if no repository will accept the swap. On a real-time basis, this requirement would be burdensome and costly to end users who have entered into a swap with another end user. In the small percent of transactions likely to be executed between end users, one end user will report the data, but

doing so in real time requires staff, technology and funding that most end users do not possess. Therefore, IPAA urges the CFTC to tailor the reporting requirement for end user-to-end user swaps to allow for next-business day reporting.

As recommended in the COPE comments, IPAA urges the CFTC to initiate the format for submitting reports on end user-to-end user swaps. The template should be limited to the information pertinent to commercial purposes to minimize the burden on end users, while still providing information needed for transparency and oversight.

IPAA will continue to encourage the CFTC to ensure that end users are exempted from margin and collateral requirements. To make the end user exemption, meaningful, IPAA urges the reporting requirement for end user-to-end user transaction to be limited in the data sought, with reports due the next business day.

Respectfully submitted,

A handwritten signature in black ink that reads "Susan W. Ginsberg". The signature is written in a cursive, flowing style.

Susan W. Ginsberg
Vice President
Crude Oil & Natural Gas Regulatory Affairs
Independent Petroleum Association of America
1201 15th Street, NW, Suite 300
Washington, DC 20005
Tel: 202-857-4728
sginsberg@ipaa.org

