

Mr. David A. Stawick, Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street N.W.
Washington D.C. 20581

Comments submitted via agency website

February 18, 2011

Dear Mr. Stawick,

Re: RIN 3038-AD06

Further Definition of "Swap Dealer," "Security-Based Swap Dealer," "Major Swap Participant," "Major Security-Based Swap Participant" and "Eligible Contract Participant"

We are writing on behalf of Russell Investments to offer comment on the ERISA plan position exclusion to the Major Swap Participant substantial position test.

Russell provides strategic advice, state-of-the-art performance benchmarks and a range of institutional-quality investment products to U.S. and international clients including individual, institutional and advisor clients in more than 45 countries. Russell has more than \$155 billion in assets under management as of December 31, 2010; Russell Indexes have \$3.9 trillion in assets benchmarked to them as of December 31, 2009; Russell advises on \$2 trillion as of December 31, 2010.

Russell acts as an agent for a number of institutional clients who have entered into swap agreements, ranging from interest rate swaptions to equity index total return swaps. The goal of these swaps runs the spectrum from achieving better asset liability management to cheaper synthetic access to certain equity markets. Swaps play a valuable role for these clients, enabling them to manage certain exposures more effectively.

Currently the substantial position test excludes ERISA plan positions with the primary purpose of hedging or mitigating any risk directly associated with the operation of the plan. We believe this exemption should be extended to all public pension plans. To exempt only a portion of the pension plan universe is inconsistent especially considering that those same public pension plans are included in the Specified Entity definitions. Furthermore, we would encourage rule makers to expand the exclusion's language to include the concept of efficient portfolio management. In our view, efficient portfolio management encompasses not only traditional hedging activity, but also activity such as transition management, portfolio rebalancing and gaining exposure to alternative asset classes.

Thank you for your consideration of these comments. Should you require clarification, or if there is any other way in which Russell can help as you consider these matters, please contact us at 206 505 2359.

Sincerely,

Michael Thomas, Chief Investment Officer
James Imhof, Managing Director, Global Trading