

# Coalition for Derivatives End-Users

---

February 25, 2010

Mr. David A. Stawick  
Secretary  
U.S. Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

Via e-mail

***Re: Chatham Financial's Comments on Swap Data Recordkeeping and Reporting / RIN 3038-AD19***

The Coalition for Derivatives End-Users (the "Coalition") would like to add our support to the comments submitted by Chatham Financial ("Chatham") to the U.S. Commodity Futures Trading Commission ("CFTC") in Chatham's letter dated February 7, 2011, regarding the Notice of Proposed Rulemaking pertaining to *Swap Data Recordkeeping and Reporting* issued under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act").

The Coalition represents companies that employ derivatives predominantly to manage risks. Hundreds of companies have been active in the Coalition and our message is straightforward: Throughout the legislative and regulatory process, the Coalition has sought to ensure that financial regulatory reform measures promote economic stability and transparency without imposing undue burdens on derivatives end-users. Imposing unnecessary regulation on derivatives end-users, who did not contribute to the financial crisis, would create more economic instability, restrict job growth, decrease productive investment, and hamper U.S. competitiveness in the global economy.

Chatham's comments emphasize that there should be a limit to circumstances requiring end-users to report swap data, and the burden on end-users in those cases where they are required to report should be minimized. In particular, Chatham requests clarification that if a non-Swap Dealer ("SD")/Major Swap Participant ("MSP") faces a foreign SD/MSP that has an office in the United States, the foreign SD/MSP should be the reporting party. Chatham also recommends that inter-affiliate swaps should not be required to be reported so long as the related dealer-facing swaps are reported.

Chatham's comments also support the CFTC's efforts to differentiate timing requirements based on the type of reporting entity and whether or not electronic execution and verification are available, but recommends longer reporting deadlines for non-SD/MSP end-users. Chatham believes that non-SD/MSPs should not be required to report swap creation data until the end of the next business day for electronically confirmed trades and not until the end of the second business day for non-electronically confirmed trades. For swap continuation data, Chatham believes that non-SD/MSP end-users should be required to provide updated valuation data no more frequently than they are required to reconcile their swap portfolios.

# Coalition for Derivatives End-Users

---

Regarding the topic of master agreement reporting requirements, Chatham encourages the Commission to consider whether master agreement information would provide substantial marginal benefits. Chatham points out that any potential benefits would come at the cost of a labor-intensive and tedious process. Similarly, Chatham believes that the costs of a separate collateral warehouse system would outweigh the benefits.

Generally, Chatham recommends that the CFTC implement the reporting requirements under a phase-in approach. Chatham believes that designated contract markets, swap execution facilities, and derivatives clearing organizations should be the first group required to comply. Bank swap dealers should comply next, followed by non-bank SDs and MSPs. Finally, non-SDs/MSPs should be the last group required to comply.

The Coalition supports and agrees with all of Chatham's comments as outlined in its comment letter to the CFTC. We believe that the issues discussed by Chatham are important to preserving the ability of end-users to employ over-the-counter derivatives to manage commercial risks they face in their day-to-day businesses, which help stabilize the economy and create jobs. The Coalition urges the CFTC to take into account and carefully consider Chatham's comments.

We thank the CFTC for the opportunity to support Chatham's comments on these important issues. The Coalition looks forward to working with the CFTC to help implement rules that serve to strengthen the derivatives market without unduly burdening business end-users and the economy at large. We are available to meet with the Commissions to discuss these issues in more detail.

Sincerely,

Business Roundtable  
Financial Executives International  
National Association of Corporate Treasurers  
National Association of Manufacturers  
National Association of Real Estate Investment Trusts  
The Real Estate Roundtable  
U.S. Chamber of Commerce