

I am writing to voice my support for immediate adoption of the proposed rule on speculative position limits for commodities (RIN 3038–AD15 and 3038–AD16 Position Limits for Derivatives).

After years of highly volatile commodity markets, the CFTC is finally poised to impose speculative position limits for physical commodities. Dozens of studies by industry experts, economists, academics, and Congressional committees have warned of the harmful affects of excessive speculation and serve only to reinforce the need for meaningful position limits in the commodity markets and therefore adoption of this rule.

The commodity markets were created to serve bona fide commercial hedgers as a tool for risk mitigation and as a pricing bellwether that is reflective real-world supply and demand fundamentals. But deregulation and massive positions held by speculators have distorted these markets.

In Title VII of the Wall Street Reform Act of 2010, Congress acknowledged the potential harm of excessive speculation by requiring that the Commission impose speculation limits on currently unregulated markets. I believe the Commission understands its responsibility under existing law to prevent excessive speculation as an undue and unnecessary burden on interstate commerce.

I urge that the commission strengthen the proposed rule and in light of the growing commodities bubbles that threaten our economic recovery and security, I urge its immediate passage and enforcement.

Commodities such as energy and food are vital resources to American industries, businesses and consumers first and foremost. Speculators have a role in providing liquidity to the market and helping energy and agriculture companies and consumers manage price risk. But when they dominate these markets (as they do now) they have the opposite effect. They undermine these business' hedging needs and distort the price discovery functions of the markets.

The position limits rule, therefore, will play a crucial role in reestablishing the true purpose of and help return stability and confidence to these markets. Again, I urge adoption of this rule.

I thank you for your consideration,

Sincerely, James Krzywicki