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April 25, 2011

Via Electronic Submission

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

Re: RIN 3038-AC98 – Risk Management Requirements for Derivatives Clearing Organizations

Dear Mr. Stawick:

The Commodity Markets Council (CMC) thanks the Commodity Futures Trading Commission (CFTC or Commission) for the opportunity to provide comments on this important topic.

CMC is a trade association bringing together commodity exchanges with their industry counterparts. The activities of our members represent the complete spectrum of commercial users of all futures markets including agriculture. Specifically, our industry member firms are regular users of the Chicago Board of Trade, Chicago Mercantile Exchange, ICE Futures US, Kansas City Board of Trade, Minneapolis Grain Exchange, and New York Mercantile Exchange. CMC is uniquely positioned to provide the consensus views of commercial end-users of derivatives exchanges and the exchange markets. Our comments below represent the collective view of the CMC's members.

We believe requiring clearing members to report gross customer positions by beneficial owner to Derivatives Clearing Organizations (DCOs) is not necessary in order to accomplish reasonable and adequate "modified gross margining" of clearing members. The costs to both clearing members and DCOs involved in building a process to report such customer specific position information daily would be immense. Given the ability to perform reasonable modified gross margining of clearing members without such information, there can be no reasonable basis for justifying the costs involved in implementing such a regime.

Moreover, clearing members do not know each beneficial owner of each customer account they carry. Thus, they cannot reasonably be expected to report to DCOs the end-of-day "gross positions of each beneficial owner" of each customer account on their books. It therefore stands to reason that DCOs cannot reasonably be expected to report such information to the CFTC. However, as discussed above, end-of-day gross position reporting from the clearing member to the DCO is not necessary and should not be required by the CFTC even for those accounts in which a clearing member may be able to determine the beneficial account owner.

In considering the tremendous costs associated with the proposed collection and reporting of customer position information, CMC questions the Commission's need for such detailed position information of all customers. The CFTC has articulated no benefit to be gained from requiring information to be reported at the prescribed level of detail. After all, the Commission currently has in place a large trader reporting

system, whereby all Futures Commission Merchants (FCMs) are required to report customer large trader information daily to the Commission. Thus there is no need to create a redundant, burdensome and costly reporting regime.

CMC thanks the Commission in anticipation of your attention to our comments. If you have any questions or would like to discuss further, please do not hesitate to contact me via email at christine.cochran@commoditymkts.org or via phone at (202) 842-0400 – ext. 101.

Regards,

A handwritten signature in black ink, appearing to read "Christine M. Cochran". The signature is written in a cursive style with a large initial "C" and "M".

Christine M. Cochran
President