



June 10, 2011

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

Via Online Submission

SUBJECT: CFTC and SEC Staffs to Host Public Roundtable Discussion on Dodd-Frank Implementation

Dear Mr. Secretary:

The Minneapolis Grain Exchange, Inc. ("MGEX" or "Exchange"), a Designated Contract Market ("DCM") and Derivatives Clearing Organization ("DCO"), would like to thank the Commodity Futures Trading Commission ("CFTC" or "Commission") for the opportunity to provide comments on the CFTC and SEC Staffs Public Roundtable Discussion on Dodd-Frank Implementation that was held on May 2-3, 2011.

While the CFTC looked to limit the discussion of the roundtable to implementation issues and considerations, most topics of concern relate to the issues swirling around implementation – from costs to timelines.

With regard to the CFTC's implementation of regulations under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"), MGEX believes that those proposed rulemakings necessary for implementation and required by the Dodd-Frank Act should be the primary focus of the Commission. Therefore, the transfer of eligible over-the-counter ("OTC") activity onto exchanges and clearing houses should be considered prior to expanding to other, more discretionary, areas. In general, until those regulations are adequately addressed, it appears that many of the remaining proposed rulemakings will be neither implementable nor enforceable.

In general, the phased schedule put forth by Commissioner O'Malia in Appendix 2 of Federal Register Vol. 76, No. 86 published on the May 4, 2011 appears to be a solid starting point in the prioritization of the Dodd-Frank Act's mandate. Not only does it first address the primary concern of the Dodd-Frank Act, OTC swaps activity, but it also then clearly addresses the broader concerns for DCMs and DCOs. MGEX is hopeful that throughout the final rule adoption process, the Commission listens to the futures industry and market participants who must adopt rules, procedures, and systems to

comply with the Commission's rulemakings. Additionally, MGEX strongly encourages the Commission to continue with the core principle approach that has served the futures industry and its market participants well.

MGEX maintains that, as the final rules are adopted, the Commission could also adopt a schedule for implementation within each phase. MGEX will primarily be impacted by Phase II of Commissioner O'Malia's proposed schedule. Therefore, if all of Phase II is enacted and to be implemented simultaneously, there will be a huge burden placed on the Exchange. Therefore, the Exchange respectfully requests that there be a thoroughly thought-out, staggered, and reasonable adoption and implementation schedule even within each phase.

While the Exchange supports a staggered and phased roll-out of the rules and their subsequent implementation, MGEX believes that the phased roll-out should be based on product type (i.e. swaps, futures, etc.) instead of focusing on the asset class. Once the general swap guidelines are in place, the Commission might implement regulations for different types of swaps in a phased manner. However, it would be difficult for the exchanges to have different rules for different members participating in the transactions of one future or swap.

Furthermore, MGEX supports another public comment period being utilized prior to the proposed rules becoming final. During this period the Commission could issue "proposed final rules" and allow for additional comment. While MGEX recommends the final comment period for all CFTC regulations, it would be especially beneficial for any final rules which are substantially different from the proposed rules previously issued for comment. The Exchange understands that this may delay the implementation of certain rules but believes that the need for getting the rules right with robust dialogue outweighs the need for speed and hasty adoption.

Along the same lines of quality over velocity and solidarity over solitary, MGEX supports the Commission's belief that the CFTC should work very closely with the European Union ("E.U.") and other foreign regulatory bodies to make as much of a unified regulatory front as possible. This unified regulatory approach will reduce the probability of driving market participants to or from one regulatory regime to another. Not only is the substance of the regulations important in this context, but also the timing of the implementation of regulations. The Exchange urges the Commission to adopt their regulations within a stone's throw of the timing in which the E.U. and others adopt theirs.

Lastly, the Exchange would like to see an extensive and realistic cost-benefit analysis completed of each regulation prior to implementation. There have been many examples of costs not being included in the analysis, such as the cost of implementing new procedures and processes. These burdens will be significant to the industry and should be transparent to the public prior to adoption of final rules.

The Exchange thanks the Commission for the opportunity to comment again on the CFTC and SEC Staffs Public Roundtable Discussion on Dodd-Frank Implementation. If there are any questions regarding our original comments, please contact me at (612) 321-7169 or lcarlson@mgex.com. Thank you for your attention to this matter.

Regards,

A handwritten signature in cursive script, appearing to read "Layne G. Carlson", followed by a long horizontal flourish.

Layne G. Carlson
Corporate Secretary

cc: Mark G. Bagan, CEO, MGEX
Jesse Marie Bartz, Assistant Corporate Secretary, MGEX
Eric J. Delain, Legal Advisor, MGEX
James D. Facente, Director, Market Operations, Clearing & IT, MGEX