

March 4, 2012

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

Re: RIN 3038-AD18: Process for a Designated Contract Market or Swap Execution Facility to Make a Swap Available to Trade (17 CFR Parts 37 and 38).

Dear Mr. Stawick

ODEX, which is planning to apply for SEF registration, is being developed by the team which developed a MLTF named Blackbird in the late 90's and as a result has extensive experience in the electronic trading of Swaps. The ODEX platform has been developed with the ability to trade most Swap contract types. Today we are working closely with CCP's on connectivity to ensure real-time trading.

The MAT limitation is strictly a function of a CCP and associated FCMs having the ability to value, risk manage and clear a Swap contract. As a result our biggest fear is that undue pressure will be exerted on these entities to not make contracts available for clearing.

Congress mandated that both parties to a "must be cleared" swap must execute the swap on a regulated platform unless either of two conditions are met: A) one party to the swap qualifies for the so-called "commercial end user" exemption (CEA § 2(h)(7)) or B) no exchange or swap execution facility (SEF) "makes the swap available to trade." CEA § 2(h)(8)

At ODEX we believe the CFTC should apply the statute as Congress wrote it. If the CFTC decides a process is needed regarding the trade execution mandate, a simple notification process should be sufficient. The CFTC could fold this notification process into its notification process for the clearing mandate. That is, when the CFTC provides notice to the public that it is considering requiring a swap to be cleared, the CFTC could also notify the public of the names of any SEFs or DCMs that intend to list or offer for trading that swap and will thus make the swap "available to trade." Then, if the CFTC ultimately determines that the swap is required to be cleared, the CFTC should post the names of any SEFs or DCMs on its website that have notified the CFTC in writing that they make the swap available for trading. This process would be consistent with Congressional intent, promote the trading of swaps on SEFs, provide transparency and preserve resources for all concerned.

We believe there should be no delay in applying the trading mandate for those contracts that can be cleared, with real time SEF trading connectivity at either the CME or LCH. Secondly we believe adequate measures are needed to foster competition to develop additional cleared contracts thereafter. The argument for the RFQ model is to provide a trading mechanism for less liquid contract types and as most SEF will provide a RFQ trading protocol the MAT should not be an issue.

On the question of economic equivalent, ODEX disagrees with ISDA that every permutation is a separate contract. While at JPM in the late 1988 I was able to defease all the portfolios at all branches and replace third party swaps with a small number of bench mark internal deals (i.e. 100+ deals replaced by 5 deals). Even the regulation calls for compression, and portfolio defeasance has become normal. We believe all US dollar Interest Rate Swaps at a CCP are equivalent providing they have the same floating index, settlement process (futures v OTC), but not maturity.

Respectfully Submitted,

R Raymond May
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