



Futures Industry Association

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August 21, 2012

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

Re: Clearing Requirement Determination Under Section 2(h) of the CEA; RIN 3038–AD86

Dear Mr. Stawick:

The Futures Industry Association Principal Traders Group (“FIA PTG”) appreciates the opportunity to comment on the recent proposal of the regulations to establish which classes of credit default swaps (“CDS”) and interest rate swaps (“IRS”) will be required to be cleared by certain market participants who trade various contracts cleared by a derivatives clearing organization (“DCO”) registered with the Commission (the “Proposal”).¹

The FIA PTG, a division of the Futures Industry Association, is comprised of 34 firms that trade their own capital in the exchange-traded markets. We engage in manual, automated, and hybrid methods of trading and are active in a variety of asset classes, such as foreign exchange, commodities, fixed income, and equities. Members of the FIA PTG are a critical source of liquidity in the exchange-traded markets, allowing those who use these markets to manage their business risks to enter and exit the markets efficiently. Given the importance of these markets to the risk management of US business, FIA PTG strongly supports increased central clearing and trading in what are today OTC swap markets.

The FIA PTG strongly supports the Proposal and believes that it encompasses the appropriate IRS and CDS swaps to initially be subject to the clearing mandate. Further, FIA PTG is encouraged that the Proposal has been published because it represents an important step toward central clearing of standardized OTC swaps, a key goal of the Dodd-Frank Act. While we know the Commission has a ninety day statutory period, we urge the Commission to move expeditiously to finalize the Proposal as we believe the impact will extend beyond central clearing and encourage central trading as well as other important market transitions.

¹ 77 *Fed. Reg.* 47170 (Aug. 7, 2012).

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Additionally we encourage the Commission to move forward to subject the other appropriate swap asset classes to the clearing mandate. Accomplishment of greater central clearing and trading will increase competition and transparency for market participants in addition to achieving the goal of lowering systemic risk by reducing interconnectedness in the financial markets.

Respectfully,

A handwritten signature in cursive script that reads "Walt L. Lukken".

Walt Lukken

President and Chief Executive Officer

Futures Industry Association