



September 10, 2012

Via Electronic Submission: <http://comments.cftc.gov/PublicComments/CommentForm.aspx?id=1252>

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

Office of the
Secretary

2012 SEP 11 PM 2:50

Received
CFTC

**Re: Clearing Requirement Determination Under Section 2(h) of the CEA
RIN Number 3038-AD86**

COMMENT

Dear Mr. Stawick,

AllianceBernstein¹ strongly supports the Commodity Futures Trading Commission's (the "Commission") proposed *Clearing Requirement Determination Under Section 2(h) of the CEA*² (the "Determination") for certain classes of credit default swaps (CDS) and interest rate swaps (IRS).

Implementing the mandatory clearing requirement for these liquid and standardized segments of the swaps markets is a significant milestone towards achieving the Dodd-Frank Act's objectives of reducing interconnectedness, mitigating systemic risk, increasing transparency, and promoting competition in the swaps market – all essential steps towards restoring the safety and soundness of our financial markets.

The specific fixed-to-floating swaps, basis swaps, FRAs, and OIS as well as CDX and iTraxx CDS indices listed in proposed §50.4 easily satisfy the five statutory factors that the Commission is required to consider for clearing requirement determinations, as the Commission's analysis demonstrates.³ These

¹ AllianceBernstein L.P. ("AllianceBernstein") is a global asset management firm with approximately \$433 billion in assets under management as of August 31, 2011. AllianceBernstein provides investment management services to both institutional and individual investors through a broad line of investment products.

² 77 Fed Reg. 47170-47222 (August 7, 2012)

³ In summary, the five factors are the (i) outstanding notional exposures, trading liquidity, and adequate pricing data; (ii) availability of rule framework, capacity, operational expertise and resources, and credit support

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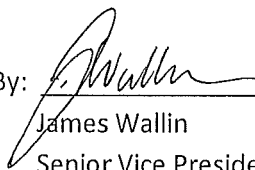
swaps are all cleared today in material volumes and we thus agree with the Commission that "there is already a blueprint for clearing and appropriate risk management."⁴ We recommend that the Commission maintain the full proposed product scope in its final Determination.

We urge the Commission to conclude its review and issue its final Determination as expeditiously as possible within the 90 day review period so the market can finally benefit from the implementation of mandatory central clearing.

Sincerely,

AllianceBernstein L.P.

By: _____


James Wallin
Senior Vice President

infrastructure; (iii) effect on the mitigation of systemic risk; (iv) effect on competition; and (v) legal certainty in the event of insolvency.

⁴ See *Id.* at 47172