

**Congress of the United States**  
**Washington, DC 20515**

April 5, 2013

The Honorable Gary Gensler  
Chairman  
United States Commodity Futures Trading Commission  
Three Lafayette Center  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

Dear Chairman Gensler:

We are writing to express concerns with elements of the final rules relating to Swap Execution Facilities (SEFs) that the Commodity Futures Trading Commission (CFTC) is considering. The CFTC has finalized a majority of the rules that it has been asked to promulgate, but one of the critical remaining pieces of this reform puzzle are the rules relating to trade execution. In adopting these rules, and the SEF rule in particular, every effort should be undertaken to ensure that the market structure you are establishing does not disadvantage Main Street investors.

A key component of the SEF rulemaking is whether or not to impose a minimum number of bids for request for quotes (RFQ) platforms. Many industry participants, particularly asset managers responsible for investing trillions of dollars in savings, have raised significant concerns with requiring a minimum requirement for RFQs. A minimum requirement would tie the hands of asset managers, preventing them from using their discretion, consistent with their fiduciary duties, to obtain the best price and execution for their clients. These duties alone will suffice to prevent manipulation in the marketplace.

In addition, asset managers have indicated that a minimum requirement could increase the cost of a given swap, and in many cases, the underlying asset being hedged. These costs will ultimately be passed on to retail investors and institutional investment pools such as foundations and endowments.

We recognize that the CFTC is pursuing the laudable and important goal of enhanced transparency in the swaps market; however, we believe an arbitrary requirement for some minimum number of quotes, including the five quote requirement in the proposed rule, may undermine that goal. While the CFTC's proposal may effectuate this objective for smaller, more standard trades, the same is not true for more illiquid, larger-sized trades, where wide price dissemination via a minimum requirement could undermine the goals of transparency and lowering price for end-users.

Your work in implementing the Dodd-Frank requirements through the use of Swap Data Repositories and the move to real-time reporting have increased the transparency of the swaps market and have greatly benefited customers. However, requiring a minimum number of bids for

RFQs would unnecessarily result in deleterious effects on the marketplace, while not adding any measurable transparency benefit.

We would respectfully request that you consider our views when finalizing this proposal. Establishing a market structure for swaps execution is an important task that should be undertaken in a way that avoids harm to the market and investors.

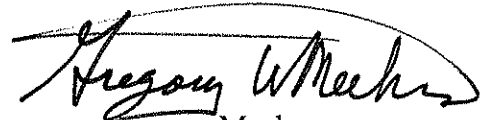
Sincerely,



Scott Garrett  
Member of Congress



Robert Hurt  
Member of Congress



Gregory Meeks  
Member of Congress



Gwen Moore  
Member of Congress

Cc:

The Honorable Bart Chilton  
The Honorable Jill Sommers  
The Honorable Scott O'Malia  
The Honorable Mark Wetjen