

Christopher Kirkpatrick, Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
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- **Industry Filing IF 16-001**
- **Requesting Public Comment on Request from LCH.Clearnet Ltd for Order Permitting Portfolio Margining of Futures and Foreign Futures Contracts and Cleared Swaps Contracts**

Dear Mr. Kirkpatrick.

Thank you for giving us the opportunity to comment on the Industry Filing and petition submitted by LCH.Clearnet Ltd (LCH) for an order pursuant to Section 4d(f) of the Commodity Exchange Act (Act).

I strongly support LCH's proposal to offer its clearing members the opportunity to participate in a portfolio margining service by commingling rates futures with economically-correlated rates swaps in the clearing members' accounts. This will enable margin offsets between economically-related swaps and futures resulting in reduced collateral requirements and more efficient use of capital, and further encourage swap clearing and the transition to clearing. Obviously the ongoing consolidation in clearing will lead to a few super-CCPs able to offer portfolio margining and margin offsetting across asset classes. Whether this in itself is desirable is a separate topic for consideration.

Yours sincerely

C.R.B.

Chris Barnard