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**FINAL**

February 28, 2017

**Filed Electronically at <http://comments.cftc.gov>**

Christopher Kirkpatrick, Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581  
Telefacsimile: (202) 418-5521

Re: Comments on Reproposal of *Position Limits for Derivatives*, published on December 30, 2016, 81 Federal Register 96704, RIN 3038-AD99

Dear Mr. Kirkpatrick:

The International Energy Credit Association (“IECA”) respectfully submits these comments to the Commodity Futures Trading Commission (“CFTC” or “Commission”) on the above-captioned Reproposal of its proposed rules on *Position Limits for Derivatives* (hereinafter, “Repropos”), published on December 30, 2016, at 81 Fed. Reg. 96704, RIN 3038-AD99. In its Reproposal, the CFTC is reproposing rules to amend part 150 of the CFTC’s regulations concerning speculative position limits to establish new speculative position limits for 25 exempt and agricultural commodity futures and option contracts, and physical commodity swaps that are “economically equivalent” to such contracts pursuant to Section 4a(a) of the Commodity Exchange Act (“CEA”) as amended by Section 737 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”).

The IECA has previously submitted comments to the CFTC on its various proposed rulemakings with respect to speculative position limits, including comments submitted to the CFTC on February 10, 2014, March 30, 2015, and July 13, 2016, plus comments submitted to the CFTC on August 4, 2014 following the Commission’s position limits roundtable held on June 19, 2014.

**I. The IECA Endorses the Commercial Alliance Comments on the Reproposal.**

By these comments, the IECA wishes to endorse, support and recommend to the Commission the comments on the Reproposal (“Commercial Alliance Comments”), which were submitted to the Commission jointly by the Commodity Markets Council and The Commercial Energy Working Group (collectively the “Commercial Alliance”) earlier today.

The IECA agrees with the comments submitted by the Commercial Alliance regarding the Reproposal. We therefore encourage the Commission to consider the Commercial Alliance Comments, together with the various comments previously submitted by the IECA with respect to new speculative position limits, and reconsider whether it is necessary and appropriate for the Commission to issue a final rule establishing new federal speculative position limits.

Further, if the Commission determines it is necessary and appropriate to establish new federal speculative position limits, the IECA commends the Commission for its efforts to (i) recognize updated deliverable supply estimates for purposes of establishing spot month speculative limits, and (ii) authorize the Exchanges to administer exemptions for non-enumerated bona fide hedges (“BFHs”), anticipatory BFHs, and spread positions.

For the reasons set forth in the Commercial Alliance Comments and in the IECA’s prior comments to the Commission, the IECA particularly encourages the Commission to eliminate the Five-Day Rule, as found in the BFH definition on holding physically-delivered Referenced Contracts during the lesser of the last five days of trading or the time period for the spot month in such physically-delivered Referenced Contracts.

The IECA respectfully urges the Commission to consider the remaining portions of the Commercial Alliance Comments, together with the IECA’s prior comments, in establishing any final rule on new federal speculative position limits.

## **II. About the IECA.**

The IECA is an association of over 1,400 credit, risk management, legal and finance professionals that is dedicated to promoting the education and understanding of credit and other risk management-related issues in the energy industry. For over ninety years, IECA members have actively promoted the development of best practices that reflect the unique needs and concerns of the energy industry.

The IECA seeks to protect the rights and advance the interests of a broad range of domestic and foreign energy market participants, representatives of which make up the IECA’s membership. These entities finance, produce, sell, and/or purchase for resale substantial quantities of various physical energy commodities, including electricity, natural gas, oil and other energy-related physical commodities necessary for the healthy functioning of the energy markets and the “real economy”. Many of these energy market participants rely on cleared and uncleared swap transactions to help them mitigate and manage (i.e., hedge) the risks of physical energy commodity price volatility to their commercial energy businesses, which millions of Americans and the American economy rely on for safe, reliable and reasonably-priced energy supplies.

### III. Conclusion.

The IECA appreciates the opportunity to provide these Comments and would welcome the opportunity to discuss these comments further should you require any additional information on any of the topics discussed herein.

Please direct correspondence concerning these comments to:

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Yours truly,  
INTERNATIONAL ENERGY CREDIT ASSOCIATION

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