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**FINAL**

May 1, 2017

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

Christopher Kirkpatrick, Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
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Washington, DC 20581  
Telefacsimile: (202) 418-5521

**Re: Comments on Supplemental Notice of Proposed Rulemaking: *Regulation Automated Trading*, 81 Fed. Reg. 85334, published on November 25, 2016, in RIN 3038-AD52**

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 Supplemental Notice of Proposed Rulemaking: Regulation Automated Trading (“Supplemental NPRM”), published on November 25, 2016, at 81 Fed. Reg. 85334, in RIN 3038-AD52. Various entities submitted requests to the Commission for extension of the original comment deadline for this Supplemental NPRM, including the IECA, which indicated its support of such an extension in a letter filed with the Commission on January 17, 2017. In response to these requests, the Commission issued its decision on January 26, 2017, at 82 Fed. Reg. 8502, extending the comment deadline to May 1, 2017.

#### **IECA Comments on the Supplemental NPRM**

In his lengthy dissent to the Supplemental NPRM, then-Commissioner Christopher Giancarlo commented on the need to more adequately address protection of proprietary concerns associated with disclosure of source code. His dissent also discussed substantive concerns with “the prescriptive nature of the proposal and burdensome reporting requirements.”

The IECA agrees with these concerns expressed by then-Commissioner Giancarlo and we urge now-Chairman Giancarlo and Commissioner Bowen to consider withdrawing the Supplemental NPRM, conducting a study assessing the risks proposed to be addressed by the proposed Regulation AT set forth in the Supplemental NPRM, and then, in light of the results of such study, considering the appropriate means of addressing any such risks.

In this regard, the IECA wishes to support and hereby urges the Commission to consider and accept the recommendations regarding the Supplemental NPRM set forth in the Comments of the Commodity Markets Council (“CMC Comments”), which were submitted to the Commission earlier today in this proceeding. In its comments, the Commodity Markets Council (“CMC”) urges the Commission to withdraw the Supplemental NPRM, perform an appropriate study, and then consider what form of proposed regulation, if any, is most appropriate to address the issues highlighted by such study. The CMC’s comments also highlight the overly prescriptive nature of the Supplemental NPRM and its imposition of unnecessary costs on market participants in return for no additional regulatory benefit.

For the reasons set forth in the CMC Comments and in the IECA’s prior comments to the Commission, the IECA respectfully encourages the Commission to withdraw the Supplemental NPRM. In its place, the IECA urges the new Chairman and the full slate of new Commissioners to perform an appropriate study of the risks accompanying electronic and automated trading and consider the best method to address those risks.

In closing, the IECA would like to reiterate a comment from our filing in this matter on January 17, 2017, in which the IECA said:

**“Allowing the new Chairman and all [the full slate of] Commissioners of the CFTC to determine the direction of the proposed rule, and then giving market participants an opportunity to comment on that proposal, will result in a much more efficient use of the professional resources of both market participants and the CFTC’s Staff. [This] will ensure that our comments will be directed to what is more likely to be the resulting CFTC rule.”**

#### **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.

**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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