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From: Robert Rutkowski

Sent: Friday, January 31, 2020 5:49 PM

To: questions

Subject: [EXTERNAL] CFTC Puts For-Profit Exchanges in Charge of Key Dodd-Frank Market Rule

Chairman J. Christopher Giancarlo

Commodity Futures Trading Commission

Three Lafayette Centre

1155 21st Street, NW

Washington, DC 20581

Re: CFTC Puts For-Profit Exchanges in Charge of Key Dodd-Frank Market Rule

Dear Chairman:

Today, CFTC proposed a rule allowing for-profit commodity derivative exchanges to grant exemptions to position limits for firms that trade in derivatives. Derivatives are contracts whose value is tied to the price of a commodity, such as agricultural commodities, energy commodities or financial commodities like interest rates. The Dodd-Frank Wall Street Reform and Consumer Protection Act directed the CFTC to adopt position limits, which lower the risk of market manipulation by capping the volume of positions of any particular commodity that traders or firms may have.

A decade ago, failure to oversee gambling in complex bets meant that Washington's bank cops didn't know about the fuel that was being added to the combustible mortgage-backed securities market. That market eventually exploded, resulting in the financial crash of 2008. With this proposal, financial regulators are inviting commodities manipulators to once again play with fire. America's farmers will suffer, all of us who eat will suffer, and our economy will be exposed to more Wall Street shenanigans.

Congress mandated the establishment of position limits as one of the primary responses to the financial crisis, because they serve as a critical protection for consumers and markets. Giving for-profit commodity exchanges the authority to grant exemptions to position limits represents a conflict of interest, because the exchanges' profits rely on larger and larger trading volumes.

Yours sincerely,

Robert E. Rutkowski

cc:

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