

COMMODITY MARKETS OVERSIGHT COALITION

An Alliance of Commodity Derivatives End-Users and Consumers

June 19, 2012

The Honorable Gary Gensler, Chairman
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

The Honorable Jill Sommers, Commissioner
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

The Honorable Bart Chilton, Commissioner
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

The Honorable Scott O'Malia, Commissioner
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

The Honorable Mark Wetjen, Commissioner
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: *Proposed Interpretive Guidance on Cross-Border Application of Certain Swaps Provisions of the Commodity Exchange Act and Proposal Regarding Phased Compliance for Foreign Swap Dealers*

Dear Chairman Gensler and Commissioners Chilton, Sommers, O'Malia and Wetjen:

The undersigned organizations write in support of the proposed "Interpretive Guidance on Cross-Border Application of Certain Swaps Provisions of the Commodity Exchange Act" and the "Proposal Regarding Phased Compliance for Foreign Swap Dealers" to be considered by the Commodity Futures Trading Commission (CFTC) on Thursday, July 21, 2012.

The Commodity Markets Oversight Coalition is an informal and non-partisan alliance of organizations that represent commodity-dependent industries, businesses and end-users that rely on functional, transparent and competitive commodity derivatives markets as a hedging and price discovery tool. The coalition advocates in favor of government policies that promote stability and confidence in the commodities markets, that seek to prevent fraud, manipulation and excessive speculation and that preserve the interests of *bona fide* hedgers and American consumers.

Derivatives transactions conducted by off-shore affiliates of U.S.-based firms can have a direct and immediate impact on American businesses and consumers and the stability of the economy. There are many examples of cross-border activities by U.S. firms that have put American interests at risk and that reinforce the urgent need for the comprehensive application of CFTC rules and regulations of swaps and related transactions. The major losses recently experienced by J.P. Morgan Chase counted among them. Furthermore, failure to conduct prudent regulation and oversight of said transactions can open the door to regulatory arbitrage and encourage firms to relocate U.S. jobs and business operations over-seas.

In order to fulfill its mission to protect U.S. market participants and to ensure market stability and confidence, it is essential that the Commission approve the proposed guidance documents. The approach set forth in these documents will provide certainty to regulated entities; allow foreign regulators additional time to finalize new swaps market rules; and permit CFTC Commissioners to continue their multilateral negotiations with their overseas counterparts on jurisdictional issues, regulatory harmonization, data sharing agreements and cross-border enforcement.

We appreciate your consideration and thank you in advance for your support.

Sincerely,

American Feed Industry Association
American Trucking Associations
Colorado Petroleum Marketers Association
Consumer Federation of America
Florida Petroleum Marketers Association
Fuel Merchants Association of New Jersey
Gasoline & Automotive Service Dealers of America
Independent Connecticut Petroleum Association
Institute for Agriculture and Trade Policy
Louisiana Oil Marketers & Convenience Store Association
Maine Energy Marketers Association
Massachusetts Oilheat Council
Montana Petroleum Marketers & Convenience Store Association
NAFA Fleet Management Association
National Association of Oil & Energy Service Professionals
National Association of Truckstop Operators
National Farmers Union
National Latino Farmers & Ranchers Trade Association
New England Fuel Institute
New Mexico Petroleum Marketers Association
New York Oil Heating Association
Oil Heat Council of New Hampshire
Oil Heat Institute of Long Island
Oil Heat Institute of Rhode Island
Organization for Competitive Markets
Petroleum Marketers & Convenience Store Association Kansas
Petroleum Marketers & Convenience Stores of Iowa
Petroleum Marketers Association of America
Public Citizen
Ranchers-Cattlemen Action Legal Fund (R-CALF) USA
Utah Petroleum Marketers and Retailers Association
Vermont Fuel Dealers Association
West Virginia Oil Marketers and Grocers Association
Wyoming Petroleum Marketers Association