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January 14, 2013

Ms. Melissa Jurgens, Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
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Washington, D.C. 20581
Telefacsimile: (202) 418-5521 and
Email to secretary@cftc.gov and electronically to http://comments.cftc.gov

Re: Comments to Amended Request of Chicago Mercantile Exchange to Adopt New Chapter 10 and New Rule 1001 of CME's Rulebook (IF 12-014)

Ladies and Gentlemen:

The International Energy Credit Association ("IECA") submits this letter to the Commodity Futures Trading Commission ("CFTC" or "Commission") in response to its request for comments on The Chicago Mercantile Exchange Inc. ("CME") Amended Submission #12-391R for approval of a new proposed Chapter 10 "Regulatory Reporting of Swap Data" of CME's Swap Data Repository ("SDR") Rulebook and a new proposed Rule 1001 "Regulatory Reporting of Swap Data."

On November 9, 2012, CME submitted Submission #12-391 to the Commission, which requested expedited review and approval by the Commission of new Chapter 10 and Rule 1001 of CME's SDR Rulebook. On December 6, 2012 and again on December 14, 2012, CME amended its filing. As amended, the new Rule 1001 would provide that:

> "For all swaps cleared by the Clearing House, and resulting positions, the Clearing House shall report creation and continuation data to CME's swap data repository for purposes of complying with applicable CFTC rules governing the regulatory reporting of swaps. Upon the request of a counterparty to a swap cleared at the Clearing House, the Clearing House shall provide the same creation and continuation data to a swap data repository selected by the counterparty as the Clearing House provided to CME's swap data repository under the preceding sentence."

The CFTC requested comments from the public on the amended Rule 1001 by January 7, 2013. Thereafter, on January 7, 2013, the Commission extended the date for filing comments from the public until January 14, 2013.

In a related matter, on October 11, 2012, the Commission issued a Frequently Asked Questions on the Reporting of Cleared Swaps ("FAQ") stating therein that Designated Contract Markets ("DCMs"), Swap Execution Facilities ("SEFs") and Derivatives Clearing Organizations ("DCOs") that are also registered as SDRs may not require counterparties to use their "captive" SDR for reporting swap transactions. On November 28, 2012, in response to CME's Submission #12-391, the Commission amended the FAQ to withdraw several answers, which withdrawn answers previously addressed questions concerning the choice of SDR by the party that is required to report swap data pursuant to Part 45 of the Commission's Regulations, including the statements set forth in the immediately preceding sentence.

I. Introduction.

The IECA is not a lobbying group. Rather, we are an association of several hundred energy company credit management professionals grappling with credit-related issues in the energy industry. Our members' concerns regarding Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("DFA" or "Dodd-Frank Act") have led us to submit numerous comments to the Commission on its rulemakings under the DFA.

Correspondence with respect to these comments should be directed to the following individuals:

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II. IECA's Responses to the Commission's Request for Comment.

In response to the foregoing, the IECA offers the following comments:

1. The IECA will continue to monitor future rulemakings, interpretive issuances, and submissions by registered entities to ensure that encouraging competition and efficiency for the benefit of end-users continues to be a primary guiding principle of the CFTC's decisions with respect to regulating swap markets and implementing those regulations. The IECA takes no position with respect to whether the Commission should approve or deny CME's proposed Rule 1001 as it affects the choice of SDR for the reporting of swaps cleared by a DCO. The IECA would object, however, to similar rules that would limit the choices of market participants, and thereby limit competition and efficiency, with respect to SEFs and various other elements of the CFTC's overall regulatory scheme for swaps.

2. With respect to CME's proposed Rule 1001 that would require participants using CME's clearing services to allow data for trades cleared through CME's DCO to be reported to

CME's own SDR under Part 45 of the Commission's Regulations, the IECA questions why the Commission chose to require reporting to an SDR of cleared swaps when (i) the Commission will already have access to information about cleared swaps from the DCOs and (ii) reporting of cleared swaps to an SDR is not required by the Dodd-Frank Act.

The statutory premise for "real-time reporting" under Part 43 of the Commission's Regulations is CEA Section 2a(13) (Section 727 of the DFA) under which swaps, whether cleared or uncleared, shall be reported to an SDR. However, the statutory premise for ongoing "data reporting" of swaps under Part 45 of the Commission's Regulations is CEA Section 4r(a)(1) (Section 729 of DFA) under which "each swap that is not accepted for clearing by any DCO" (emphasis added) shall be reported to an SDR described in CEA Section 21. There does not appear to be a comparable statutory premise for requiring "data reporting" under CEA Section 4r or CEA Section 21 for reporting to an SDR any "swap that is accepted for clearing by a DCO."

Since the Commission will already have received this information about cleared swaps from the DCOs, and there does not appear to be any explicit statutory premise for "data reporting" of swaps cleared by a DCO, the IECA questions why the Commission chose to require reporting to an SDR under Part 45 with respect to swaps that have been cleared by a DCO.

3. With respect to the CFTC's issuance on October 11, 2012, of its FAQ, and the subsequent issuance of an amended version of such FAQ on November 28, 2012, which simply withdrew several answers set forth in the original FAQ, the IECA questions the absence of any meaningful administrative procedures when the CFTC chose to delete various withdrawn answers, including the statements that DCMs, SEFs and DCOs that are also registered as SDRs may not require counterparties to use their "captive" SDR for reporting swap transactions.

The IECA believes that administrative due process and reasoned decision-making require some manner of public notice and comment or some other equally meaningful administrative procedures to be followed by the CFTC if and when it elects to withdraw portions of its previously issued guidance for market participants in the swaps markets.

The IECA understands that the Commission has elected to use No-Action Letters, Interpretive Guidance Letters, and Answers to Frequently Asked Questions as a means of clarifying and modifying the Commission's various new rules issued under the Dodd-Frank Act, and the IECA is appreciative of the Commission's willingness to provide valuable and needed guidance to market participants seeking to implement the Commission's new rules under the Dodd-Frank Act. By using these No-Action Letters, Interpretive Guidance Letters, and Answers to Frequently Asked Questions, the Commission has been able to provide valuable clarifications that fill-in gaps, address unintended consequences, and correct oversights in the original rules.

However, for the very reason that meaningful and valuable clarifications and modifications are being made to various rules that have been promulgated by the Commission under the Dodd-Frank Act, the IECA is concerned that market participants are making choices and participating in the swap markets in reliance on the Commission's new rules as clarified and

modified by various No-Action Letters, Interpretive Guidance Letters, and Answers to Frequently Asked Questions.

As a result, the IECA submits that market participants should have the benefit of some elements of administrative procedures before significant and substantive provisions of those No-Action Letters, Interpretive Guidance Letters, and Answers to Frequently Asked Questions are simply withdrawn and then the No-Action Letters, Interpretive Guidance Letters and Answers to Frequently Asked Questions are simply reposted without the withdrawn provisions.

The Commission has used No-Action Letters, Interpretive Guidance Letters and Answers to Frequently Asked Questions in the past with the caveat that such documents have limited applicability to markets in general and may be changed without notice and at any time. We are unaware, however, of any time in the past when these same forms of documents have been used by the Commission to facilitate the needed clarification and modification of such an enormous number of rulemaking proceedings as is now underway pursuant to the statutory rulemaking deadlines applicable to the Commission under the Dodd-Frank Act.

In light of these circumstances, the IECA encourages the Commission to undertake a broader public discussion of the administrative procedures that should be applicable to No-Action Letters, Interpretive Guidance Letters and Answers to Frequently Asked Questions, in order to protect the interests of market participants who participate in the swaps markets in reliance on the Commission's many recent No-Action Letters, Interpretive Guidance Letters and Answers to Frequently Asked Questions.

III. Conclusion.

The IECA respectfully submits the foregoing comments in response to the Commission's request for comments on the CME's proposed Rule 1001 and the Commission's deliberations with respect to such proposed Rule 1001. This letter represents a submission of the IECA, and does not necessarily represent the opinion of any particular member thereof.

Yours truly,
INTERNATIONAL ENERGY CREDIT ASSOCIATION

/s/	/s/
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