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International Swaps and Derivatives Association, Inc.

 **SIFMA**[™]
Securities Industry and
Financial Markets Association

FIA
Futures Industry Association

 **Managed Funds Association**

December 12, 2007

The Honorable Collin Peterson
Chairman
Committee on Agriculture
1301 Longworth HOB
Washington, DC 20510

The Honorable Bob Goodlatte
Ranking Member
Committee on Agriculture
1301 Longworth HOB
Washington, DC 20510

The Honorable Bob Etheridge
Chairman, Subcommittee on
General Farm Commodities and
Risk Management
Committee on Agriculture
1301 Longworth HOB
Washington, DC 20510

The Honorable Jerry Moran
Ranking Member, Subcommittee on
General Farm Commodities and
Risk Management
Committee on Agriculture
1301 Longworth HOB
Washington, DC 20510

Dear Sirs:

On behalf of the trade associations below we write to communicate our support for your legislation reauthorizing the Commodity Exchange Act.

On December 21, 2000, President Clinton signed the Commodity Futures Modernization Act (CFMA) into law. Since that time, the United States has seen unprecedented growth in both exchange-traded and over-the-counter (OTC) derivatives contracts in financial and commodity products. That growth can be attributed to the legal certainty and modern, principles-based regulatory structure created by the CFMA as well as the vigilant oversight of the Commodity Futures Trading Commission (CFTC) exercising its long-established statutory exclusive jurisdiction.

The Commodity Exchange Act legislation which you have introduced follows in this tradition while addressing areas which have been identified by the President's Working Group on Financial Markets (PWG) as warranting attention. By utilizing the framework outlined by the PWG the Committee has chosen to work with America's federal financial services regulators in approaching these matters prudently, with an eye to avoiding changes which could stifle markets and harm American economic competitiveness. While we reserve hope that we can continue to work with the Committee to make technical improvements to the bill, we applaud the Committee's determination to address this complex issue in a responsible manner, including a reaffirmation of the CFTC's exclusive jurisdiction. Furthermore, we are confident that the Committee will resist



proposed amendments which would upset this careful balance and deviate from the PWG framework, which would necessitate reconsideration of our support.

The House Committee on Agriculture has a long tradition of exercising wise leadership in its stewardship of America's commodity markets. With this legislation you have continued this tradition of leadership. On behalf of the thousands of market participants we represent, thank you.

Sincerely,

Robert Pickel,
ISDA

Mark Lackritz
SIFMA

John Damgard
FIA

Jack Gaine
MFA

CC: Members of the House Committee on Agriculture