

From: James Denison <jndenison@gmail.com>
Sent: Thursday, September 16, 2010 11:42 AM
To: PosLimits <PosLimits@CFTC.gov>
Subject: Position limits
Attach: US CFTC 9-16-2010.doc

September 16, 2010

US Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st St, NW
Washington, DC 20581

Re: determining the proper levels of speculative position limits.

Dear Chairman Gensler and Fellow Commissioners,

Concerning determining the proper levels of speculative position limits in commodities of finite supply. I would endorse adopting a hard position limit in the contract equivalent amount of no more than one percent of the world annual production of any commodity of finite supply.

My interest is specifically in silver trading on the COMEX, owned by the CME Group, Inc.

The current silver accountability level is 6000 contracts, 4.3% of world annual silver mine production of roughly 700 million ounces, head and shoulders above any other commodity of finite supply. Based upon the one percent formula, the position limit in silver should be no greater than 7 million ounces or the equivalent of **1400 contracts**.

This would bring silver position limits into line with the other major metals contracts traded on the COMEX. The Commission has a unique opportunity to finally set position limits on all commodities of finite supply in a manner that is fair, simple and economically sound. A formula based upon a straight one percent or less of world production would accomplish just that.

Sincerely,

Jim Denison

September 16, 2010