From: Liz Murray <lizmurray@lumison.co.uk>
Sent: Monday, November 29, 2010 7:47 AM
To: dfarulemakings <dfarulemakings@CFTC.gov>
Subject: Considerations for Dodd-Frank implementation

Dear Mr. Stawick

David A. Stawick
Secretary
Commodity Futures Trading Commission
Three Lafayette Center 1155 21st Street, NW
Washington, DC 20581

Considerations to best implement Dodd-Frank Wall Street Reform Act

Mr. Stawick,

While developing the rules to implement the Dodd-Frank financial reform law, it is important that the CFTC do everything possible to maintain the strong spirit of that law. After years of highly volatile commodity markets, the CFTC has an important opportunity to bring order back to these important markets by limiting excessive speculation. I suggest five important points to consider:

Definition of "commercial risk"

I believe it is important to adhere to the spirit of the Dodd-Frank bill and limit this definition to bona fide users of commodity markets who deal with physical commodities. Commercial risk should not be expanded to include financial risks for banks and hedge funds.

Position Limits

The financial reform law clearly states that the Commission shall set position limits to diminish, eliminate or prevent 'excessive speculation.' I urge the Commission to define limits that will address not only manipulation, but also excessive speculation, which will require a stricter approach.

Exchange Traded Notes and Funds and swap-based Index Funds

I am especially concerned about the influence of these instruments on commodity markets and ask the Commission to define more aggressive limits for these types of speculative instruments.

Ownership of trading facilities

According to a statement by the Office of the Comptroller of the Currency, the five largest banks currently control 96 percent of derivatives activity. It is important to prevent these or any other class of business from collectively owning majority stakes in clearinghouses and other trading facilities. The CFTC must establish both a meaningful limit on individual ownership and a limit on collective ownership if the proposed rule is to have the intended effect of limiting conflicts of interest, assuring transparency and open competition, and preventing clearinghouses and exchanges from catering solely to the interests of a few large participants in the financial community.

High frequency trading

Computerized/algorithm-based trading, including high-frequency trading appears to have a growing effect on commodity markets, so I support the Commission carrying out in-depth studies of their effects, and considering the appropriateness of these types of investments in important commodity markets at all.

Thank you for your consideration,

Sincerely,

Liz Murray

Edinburgh, ot EH14 1HU
GB