



November 24, 2010

Mr. David A. Stawick  
Secretary Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

Re: Application by New York Portfolio Clearing Organization for  
Registration as a Designated Clearing Organization, IF 10-009

Dear Mr. Secretary:

Newedge USA, LLC respectfully supports the application of New York Portfolio Clearing to be registered as a Designated Clearing Organization. Based on our review of NYPC's application it appears that it has established its compliance with each core principle applicable to derivatives clearing organizations. Access to NYPC through us is something many of our clients have requested.

That being said, although it is not sufficient to change our view on NYPC's application "as is," we have some concern regarding the division of responsibilities between the Risk Committee of the Board, whose membership and functions appear clearly defined, and the Risk Advisory Committee, whose functions appear more fluid (but perhaps more important day to day) and whose membership is less defined. We believe NYPC and the public would be better served if the membership and functions were as crisply defined as that of the Risk Committee.

We also respectfully support NYPC's cross margining proposal related to US dollar-denominated interest rate futures contracts it will clear, and US Treasury and other fixed income securities and repurchase agreements cleared by the Fixed Income Clearing Corporation. We believe this is an innovative idea that will result in capital efficiencies for relevant clearing members.

That being said, although again, it is not sufficient to change our view on this proposal, we encourage NYPC and FICC to work expeditiously to extend this cross margining arrangement from clearing members only to customers of clearing members. We understand, however, that in large part, progress on this front requires rule making by the Commodity Futures Trading Commission and the Securities and Exchange Commission to implement portfolio margining and we encourage the agencies to finally implement this important initiative. However, again, this cross margin arrangement through us is something many of our clients have requested.

Finally, we would encourage no delay in the registration of NYPC and the approval of its cross margining proposal. We believe it is in the public interest for there to be additional DCOs in the United States to foster innovation (e.g., the cross margin proposal of NYPC). Although we fully

sympathize with any designated contract market that might wish to take advantage of NYPC's clearing services immediately (just as we wish our clients could take advantage of NYPC's cross margining proposal immediately), we appreciate that a short delay due to the operational realities of connecting such exchanges before NYPC makes such services available to non-affiliated DCMs is not unreasonable.

We appreciate the opportunity to make these comments.

Very truly yours,

Newedge USA, LLC

Gary DeWaal

Senior Managing Director and  
Group General Counsel