



Commodity Markets Council
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September 27, 2012

Sauntia Warfield, Assistant Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, NW
Washington, DC 20581

Re: *Petition of The Working Group of Commercial Energy Firms for Exemptive Relief for Certain Bona Fide Hedging Transactions*

Dear Ms. Warfield:

On behalf of its members, Commodity Markets Council (“CMC”) supports the petition of the Working Group of Commercial Energy Firms (the “Working Group”) entitled “*Petitions for Commission Order Granting Exemptive Relief for Certain Bona Fide Hedging Transactions under Section 4a(a)(7) of the Commodity Exchange Act*” (the “BFH Petition”). The Working Group filed this petition with the Commodity Futures Trading Commission (the “Commission”) on January 20, 2012.¹

CMC is a leading trade association for commodity futures exchanges and their industry counterparts. CMC advocates for an open and competitive marketplace through our legislative and regulatory efforts. Our members are active participants in the agriculture, soft, metal and energy commodity markets.

All commodity markets benefit from specified *bona fide* hedge transactions that promote the efficient operation of commercial business. This is true of agriculture, soft and metal markets as well as energy markets. *Bona fide* hedging plays a critical role in the movement of physical commodities through the value chain from producer to consumer.

The BFH Petition identifies ten specific transactions for specified *bona fide* hedging designation. Each one represents a legitimate hedge used in the operation of a commercial business. They are not transactions involving speculation in derivatives. Accordingly, CMC supports all ten transactions for *bona fide* hedging designation.

¹ In early February, certain members of the Working Group reconstituted their collaboration as The Commercial Energy Working Group (“CEWG”). In February 2012, the Working Group and CEWG filed notice with the Commission to jointly advance the BFH Petition.

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The members of CMC, including those in the non-energy markets, would benefit from the Commission granting *bona fide* hedging designation that the Working Group advances in the BFH Petition. The examples in the BFH Petition are styled for energy transactions, which is natural given that the Working Group is energy focused. Our members believe analogous transactions exist in the non-energy markets.² Thus, the benefits of the BFH petition extend well beyond the energy markets to the commodity markets as a whole. We would welcome the opportunity to discuss such transactions with the Commission as it considers the BFH Petition.

CMC respectfully requests that the Commission take action on the BFH petition as soon as possible. If you have any questions, please contact the undersigned.

Respectfully submitted,



Sanjeev Joshipura
President
Commodity Markets Council

cc: Chairman Gary Gensler
Commissioner Jill Sommers
Commissioner Bart Chilton
Commissioner Scott O'Malia
Commissioner Mark Wetjen
Dan Berkovitz, General Counsel
Richard Shilts, Division of Market Oversight

² CMC and the Working Group, for example, filed a joint comment letter regarding bona fide hedging transactions, dated June 5, 2011. In that letter, we provided parallel examples of transaction in non-energy markets.