

April 25, 2014

Melissa D. Jurgens
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, DC 20581

Re: Position Limits for Derivatives (RIN No. 3038-AD99); 78 Fed. Reg. 75,680 (Dec. 12, 2013) – Deliverable Supply

Dear Ms. Jurgens:

On February 10, 2014, the comment period closed on the Commission's speculative limit proposal. Many comment letters were filed expressing a range of viewpoints. On one issue, however, many commenters recommended that the Commission update the deliverable supply estimates that serve as the baseline for spot month speculative position limits under the proposal. Until a proper baseline is established, it is challenging, if not impossible, to assess what an appropriate spot month level should be.

The undersigned organizations urge the Commission, as a sensible and orderly next step in the rulemaking process, to determine current estimated deliverable supply for each of the 28 physical commodities covered by the proposal. We know that many of the deliverable supply estimates in force for these commodities are greatly out of date. For example, the silver and gold estimates date back to 1983, the natural gas estimate is based on 1996 market data, and corn and soybean estimates rely on 1998 data. The Commission has received updated deliverable supply data from affected contract markets. It has also solicited and received comments on that data.

The Commission therefore should be able to promptly make and announce its deliverable supply determinations. Once those determinations have been made, the Commission will be in a better position to deliberate and decide on the appropriate federal spot month position limit levels for each of the covered commodities. Upon establishment of federal limits based on updated deliverable supply estimates, the applicable designated contract markets also will be able to continue to use their discretion in setting exchange specific limits as necessary and appropriate to reduce the potential threat of market manipulation or congestion.

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In sum, we encourage the Commission to first update its deliverable supply estimates for the relevant physical commodities before taking any further action on position limits so that the public will be better able to offer any supplementary comments as warranted for reasoned decision-making with respect to the proposed federal position limits rules.

Thank you for your consideration.

American Petroleum Institute
Commodity Markets Council
The Commercial Energy Working Group
Edison Electric Institute
Electric Power Supply Association
National Council of Farmer Cooperatives
National Grain and Feed Association
National Oilseed Processors Association
Natural Gas Supply Association
U.S. Chamber of Commerce

Archer Daniels Midland Company
BP Products North America, Inc.
Cargill, Inc.
FCStone, LLC
The Gavelon Group, LLC
Louis Dreyfus Commodities
The Scoular Company

cc:

The Hon. Mark P. Wetjen, Acting Chairman
The Hon. Scott D. O'Malia, Commissioner