



May 1, 2013

VIA EMAIL

The Honorable Debbie Stabenow
Chairwoman

The Honorable Thad Cochran
Ranking Member
United States Senate Committee on
Agriculture, Nutrition and Forestry
328A Russell Senate Office Building
Washington, DC, 20510

Dear Chairwoman Stabenow and Ranking Member Cochran:

Thank you for your letter inviting the IntercontinentalExchange (ICE) to provide input as the Senate Committee on Agriculture, Nutrition and Forestry prepares to reauthorize the Commodity Exchange Act (CEA). ICE has appreciated the opportunity to work with the Senate Committee on Agriculture in the past on important matters affecting the commodity markets and the risk management industry.

As you note, CEA reauthorization is a key opportunity for Congress to review the law as well as the oversight of the Commodity Futures Trading Commission (CFTC). This responsibility takes on a new importance in the wake of recent futures commission merchant bankruptcies and the implementation of a new regulatory regime for the swaps markets provided for by the Dodd-Frank Act.

We will continue to engage you and your staff regularly on the wide variety of CEA-related issues under the Committee's jurisdiction and any new issues that could arise as the CFTC completes its Dodd Frank rulemaking. In response to your request, we suggest specific areas where ICE would like to work with the Committee to develop proposals during the reauthorization process:

- **Customer protection and Bankruptcy Code Reform**
Large FCM insolvencies have left end-users exposed to financial losses and lengthy work out periods under a trustee authorized by the Securities Investor Protection Act. Without a fix to the bankruptcy code, a CFTC regulation meant to improve the protection of customer funds by keeping them legally segregated but permitting them to be commingled for operational purposes—the LSOC rule—may not offer portability of customer funds post default as intended. The Committee also needs to consider what changes to the role of the designated self-



regulatory organization and even federal bankruptcy law may be necessary to prevent such situations from reoccurring.

- **CFTC Staff Structure**

The Dodd-Frank Act conferred significant new responsibilities on the CFTC. Staff operations and reporting structures should be reviewed to ensure the agency runs as efficiently as possible in its enhanced role.

- **Inter-Agency Cooperation**

In many critical instances, Dodd-Frank requires the CFTC and other independent agencies to work together on joint rulemakings but lacks a mechanism to ensure such rulemakings are achieved in a timely way.

- **Global Regulatory Harmonization**

The CEA needs to reflect the global nature of commerce and the risk management business. Otherwise we risk the creation of disparate regulatory regimes across jurisdictions that will ultimately only lead.

We are discussing these areas internally and hope to develop specific legislative proposals that may be useful to you and your staff in your development of the draft legislation.

Thank you again for your outreach. ICE looks forward to working with the Committee on the reauthorization process.

Yours truly,

A handwritten signature in blue ink, appearing to read "JCS", with a long horizontal flourish extending to the right.

Jeffrey C. Sprecher
Chairman and Chief Executive Officer
IntercontinentalExchange, Inc.