



July 7, 2017

VIA ONLINE SUBMISSION  
Christopher Kirkpatrick, Secretary  
Commodity Futures Trading Commission  
Three Lafayette Center  
1155 21st Street, N.W.  
Washington, D.C. 20581

**RE: Chief Compliance Officer Duties and Annual Report Requirements for Futures Commission Merchants, Swap Dealers, and Major Swap Participants; Amendments – RIN 3038-AE56**

Dear Mr. Kirkpatrick,

The Natural Gas Supply Association (“NGSA”) submits the following comments in response to the Commodity Futures Trading Commission (“CFTC” or “Commission”) May 3, 2017 Notice of Proposed Rulemaking to amend regulations regarding Chief Compliance Officer Duties and Annual Report requirements of Swap Dealers, Major Swap Participants and Futures Commission Merchants (“Proposal”). NGSA supports the modifications proposed by the Commission and believes this is a meaningful step toward increasing regulatory certainty in the market.

The CFTC is proposing several changes to Swap Dealers (“SD”) and Major Swap Participant (“MSP”) Chief Compliance Officer (“CCO”) duties and the annual compliance report (CCO Annual Report) requirements, including further harmonization with the Security Exchange Commission (“SEC”) CCO rules. The changes noted in the Proposal demonstrate the Commission’s willingness to initiate a ‘look back’ of its rules to make improvements as needed. If adopted by the Commission, these changes will further clarify the scope of CCO duties and the SD and MSP requirements for preparing and furnishing the CCO Annual Report on compliance to the Commission. The modifications will also help to accurately convey the Commission’s intent with respect to CCO duties and address regulatory uncertainty caused by the current text.

Importantly, this Proposal will increase efficiencies by streamlining the obligations for market participants that are regulated by both the CFTC and SEC and eliminate unnecessary duplicative policies related to the CCO Annual Report. This is a meaningful step towards improving regulatory oversight, which benefits all market participants.

This particular proposal will not have a big effect on NGSAs overall membership; however, the goal of harmonizing policies across agencies and improving the clarity of regulations is refreshing, and we are hopeful that over time, it will be applied to other aspects of the CFTCs regulations. The cumulative effect, which will be enjoyed by all market participants, would be significant.

To promote a culture of compliance, Commission regulations must be transparent, easy to understand and feasible to implement -- both from a compliance and a cost standpoint. Clear rules that recognize the unique value non-bank SDs and MSPs bring to the market, as well as harmonizing CFTC CCO regulations with the SEC rules, will facilitate compliance and increase regulatory certainty in the market. Ultimately, this will boost market participants' confidence and foster liquidity, which is good for increased investment, commodity production and the economy. The benefits extend not just to non-bank SDs and MSPs, but also to end users in the market.

NGSA is a staunch advocate for competitive markets and sound compliance programs with rules to protect the stability of these commodity markets. Flexibility is key to achieving both compliance and market liquidity. We encourage the Commission to remain vigilant in its efforts to improve regulations that will facilitate and streamline compliance regulations.

Established in 1965, NGSA represents integrated and independent companies that produce and market approximately 40 percent of the natural gas consumed in the United States. NGSA encourages the use of natural gas within a balanced national energy policy and promotes the benefits of a competitive markets to ensure reliable and efficient transportation and delivery of natural gas and to increase the supply of natural gas to U.S. customers.

NGSA supports the modifications in the Commission's Proposal and sees value in the clarity the changes will provide for CCOs of SDs and MSPs. We urge the Commission to continue to resolve all regulatory uncertainty surrounding requirements for CCOs and the CCO Annual Report. NGSA appreciates the opportunity to provide these comments.

Sincerely,  
/s/ Casey Gold

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