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Sent: Wednesday, September 15, 2010 2:21 PM
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Subject: Fair Position Limits on COMEX Silver

US Commodity Futures Trading Commission

Three Lafayette Centre

1155 21st St, NW

Washington, DC 20581

Dear Chairman Gensler and Fellow Commissioners,

The Commission recently received almost 3000 public comments on position limits in metals, with more than 90% of the comments asking the Commission to enact a position limit of 1500 contracts in COMEX silver. Based upon a fair and consistent cap of one percent of world production for all commodities, those writing to the Commission were justified in their collective opinion. It is a matter of public record that the Commission and the exchange have been urged to adopt a position limit of 1500 contracts in COMEX silver, for more than 20 years. There has never been, in all that time, any logical explanation for not adopting such a level. In light of the mandate given to you by congress and the President, isn't it time to institute this limit?

As far as the matter of bona fide hedging exemptions to legitimate position limits, the granting of exemptions should be as fair and consistent as the setting of the amount of limits. Any legitimate producer or consumer of any commodity of finite supply should be able to hedge its risk up to the amount of its own annual production or consumption. If a farmer grows, or a miner produces, more than 1% of world production, that entity can hedge up to the actual annual amount produced. If an entity owns the physical commodity and is at price risk with that holding, that entity should be allowed to hedge that actual inventory, even if it is more than 1% of world annual production. But close attention must be paid by regulators to ensure that such an entity is not gaming the market. Any thought that financial middlemen, such as large banks, should be included in the legitimate producer or consumer category must be resisted. Our futures markets were not created so that big financial institutions could manipulate them. The whole thrust of the Dodd-Frank financial reform law was to get the big banks to stop interfering in our markets.

The Commission has a unique opportunity to finally set position limits on all commodities of finite supply in a manner that is fair, simple and economically sound. A formula based upon a straight one percent or less of world production would accomplish just that.

Hoping that the CFTC will do its' duty and restore integrity to the futures market, I await your action on this matter.

Gale Ormiston, citizen