



Via Electronic Submission

March 1, 2013

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchanges Commission
100 F. St. NE.
Washington, D.C. 20549

RE: Securities and Exchange Commission Section 31 Fees

Dear Ms. Murphy:

We appreciate the opportunity to comment on Mandatory Exchange Trading and Swap Execution Facilities. These comments are specific to Security Based Swaps (“SBS”) and the Securities and Exchange Commission’s (“SEC”) Section 31 fees.

OneChicago is registered as a designated contract market with the Commodity Futures Trading Commission (“CFTC”) and as a national securities exchange for the sole purpose of trading security futures with the SEC. The SEC and the CFTC jointly regulate security futures trading. We pay Section 31 assessments for all security futures trades executed at OneChicago, regardless of whether they are traded from a futures account or a securities account. We fully support funding the SEC through user fees and assessments.

The OneChicago OCX.NoDivRisk® Exchange for Physical (“EFP”) trade is an exchange traded, central counterparty cleared, economic equivalent to OTC equity swaps; the very transactions that the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) has mandated to migrate to exchange traded, central counterparty cleared transactions.

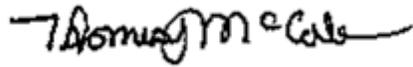
We note that each self-regulatory organization (“SRO”) is required to pay the SEC Section 31 fees based on the aggregate dollar amount of certain sales of securities transacted through their facilities. We further note that SBS are included in the definition of securities and that Swap Execution Facilities (“SEF”) will be SROs. The SEC will clearly expend resources in regulating the SBS SEFS and the SBS markets. Therefore, the SEFs should participate in paying for the cost of this regulation. Consequently, on a fairness basis, we request the SEC impose Section 31 fees on SBS products traded on SEFs; not imposing Section 31 Fees on SBS SEFs will bring unintended consequences by disadvantaging other markets including security futures which will compete with SBS SEFS.

Additionally, we also note that some SBS may not be required to be exchange traded and may not be required to be cleared. For these OTC uncleared swaps, we find it appropriate that Section 31 fees are imposed on the participating Security Based Swap Dealers and Major Security Based Swap Participants. All transactions, including equity repos and securities lending transactions, resulting in a legal disposition of a U.S. listed security should be required to pay Section 31 fees.

Conclusion

OneChicago thanks the SEC for the opportunity to comment on this subject. We would be happy to discuss any related issues with SEC staff. If you have any questions, please do not hesitate to contact me at (312) 424-8512 or via email at tmccabe@onechicago.com

Sincerely,

A handwritten signature in black ink that reads "Thomas G McCabe". The signature is written in a cursive, slightly slanted style.

Thomas G McCabe
Chief Operating Officer

Cc: David Downey, Chief Executive Officer, OneChicago, LLC
Kirk Smith, Director, Market Regulation, OneChicago, LLC