



December 21, 2010

Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

Re: Notice of Filing of a Proposed Rule Change to Introduce Cross-Margining of Certain Positions Cleared at the Fixed Income Clearing Corporation and Certain Positions Cleared at New York Portfolio Clearing, LLC (*Release No. 34-63361; File No. SR-FICC-2010-09*)

Dear Ms. Secretary:

Newedge USA, LLC respectfully supports the proposed rule-filing of the Fixed Income Clearing Corporation (FICC) to allow cross-margining between cash fixed income and repurchase securities cleared at FICC with related U.S. Treasury and Eurodollar futures contracts cleared at New York Portfolio Clearing (NYPC), a U.S. derivatives clearinghouse that is seeking registration with the CFTC. Based on our review of the proposed rule, it is our belief that the rule is consistent with the securities laws and does not place a burden on competition.

In fact, the FICC-NYPC cross-margining arrangement with its open access framework will increase competition among exchanges at a time when the fixed income listed derivatives market is controlled by one-dominant player. We believe this is an innovative idea that will result in capital efficiencies for relevant clearing members without raising the risk profile for the clearinghouse. Access to the FICC-NYPC arrangement through Newedge is something many of our clients have requested.

That being said, although again, it is not sufficient to change our view on this proposal, we encourage NYPC and FICC to work expeditiously to extend this cross margining arrangement from clearing members only to customers of clearing members. We understand, however, that in large part, progress on this front requires rule making by the Commodity Futures Trading Commission and the Securities and Exchange Commission to implement portfolio margining and we encourage the agencies to finally implement this important initiative. However, again, this cross margin arrangement through us is something many of our clients have requested.

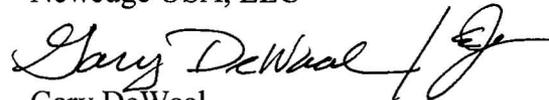
Finally, we would encourage no delay in the approval of the FICC-NYPC cross margining proposal and the registration of NYPC as a DCO. We believe it is in the public interest for there to be additional DCOs in the United States to foster innovation (e.g., the cross margin proposal

of FICC-NYPC). Although we fully sympathize with any designated contract market or DCOs that might wish to take advantage of NYPC's clearing services immediately (just as we wish our clients could take advantage of NYPC's cross margining proposal immediately), we appreciate that a short delay due to the operational realities of connecting such exchanges or clearinghouses before NYPC makes such services available to non-affiliated DCMs and DCOs is not unreasonable nor burdensome.

We appreciate the opportunity to make these comments.

Very truly yours,

Newedge USA, LLC

A handwritten signature in black ink, appearing to read "Gary DeWaal". The signature is fluid and cursive, with a large, stylized initial "G" at the end.

Gary DeWaal  
Senior Managing Director and  
Group General Counsel

CC: The Hon. Mary Schapiro, Chairman,  
The Hon. Kathleen Casey, Commissioner,  
The Hon. Elisse Walter, Commissioner,  
The Hon. Luis Aguilar, Commissioner,  
The Hon. Troy Paredes, Commissioner