



December 9, 2016

Mr. Robert deV. Frierson
Secretary, Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551
Attn. Docket Nos.: R-1547 and RIN 7100 AE-58

Submitted via e-mail to: regs.comments@federalreserve.gov

In Re: Request for a 60-day Extension of the Public Comment Period on the Board of Governors of the Federal Reserve System’s Proposed Rulemaking, “Regulations Q and Y; Risk-Based Capital and Other Regulatory Requirements for Activities of Financial Holding Companies Related to Physical Commodities and Risk-Based Capital Requirements for Merchant Banking Investments”

Dear Mr. deV. Frierson:

The National Mining Association (NMA) requests that the public comment period for the Board of Governors of the Federal Reserve System’s (Board) proposal, “Regulations Q and Y; Risk-Based Capital and Other Regulatory Requirements for Activities of Financial Holding Companies Related to Physical Commodities and Risk-Based Capital Requirements for Merchant Banking Investments,” be extended by 60 days, through February 20, 2017.

NMA is a national trade association that includes: the producers of most of the nation’s metals, coal, industrial and agricultural minerals; the manufacturers of mining and mineral processing machinery, equipment and supplies; and the engineering and consulting firms, financial institutions and other firms serving the mining industry. The proposed rule is premised on a presumption of risk associated with an environmental catastrophe involving physical commodities, and has the potential to negatively impact liquidity in commodities markets. As such, NMA’s members have a direct and substantial interest in the proposed rulemaking.

The proposed rule would place restrictions on physical commodity trading activities conducted by financial holding companies, amend risk-based capital requirements, remove copper from the list of metals that bank holding companies are permitted to own and store, and rescind findings related to the authorization of certain financial holding companies to engage in energy management services and energy tolling. Such changes impact not only financial holding companies, which play a significant role in physical commodities markets, but also other participants in those markets, including

upstream producers such as mining companies. Additionally, the proposal makes assertions concerning potential legal, reputational, and financial risks associated with the conduct of physical commodity trading activities.

In light of the potential implications of the proposed rule on the mining industry, additional time is needed for stakeholders to develop substantive comments that will provide meaningful, constructive information to the Board. The current comment period is insufficient to allow the mining industry to fully analyze the potential implications of the Board's multiple proposals. Complicating matters is the fact that the comment period overlaps with the holiday season. NMA therefore requests an additional 60 days to review the proposed rule, so that we and other interested parties may have sufficient time to provide meaningful substantive comments to the Board. Thank you for your consideration.

Sincerely,



Amanda E. Aspatore
Associate General Counsel
National Mining Association