



August 26, 2026

VIA REGULATIONS.GOV

Mr. Christopher J. Kirkpatrick
Secretary of the Commission
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, DC 20581

Re: RIN 3038-AF75 — “Request for Comment on the Extension of Standard Futures Contracts to 24/7 Trading and on Perpetual Contracts Referencing Physically Delivered or Storable Energy Commodities”

Dear Mr. Kirkpatrick:

NACS, NATSO, and SIGMA (the Associations) appreciate the opportunity to submit these comments to the Commodity Futures Trading Commission (the Commission) in response to its above-referenced request for comment on two related matters: the extension of standard futures contracts to 24/7 trading, and perpetual contracts referencing physically delivered or storable energy commodities (the Request).¹ In its Request and supplemental notice, the Commission raises several fundamental market-integrity questions that implicate price reliability, manipulation risk, speculative position limits, operational readiness, clearing and settlement, customer protection, and the effects of these products on the physical markets and commercial participants who rely on them. These are questions of significant interest to our members and the markets they serve.

The Associations represent convenience retailers, travel centers, truck stops, fuel wholesalers, distributors, terminal operators, and other businesses that help move transportation energy through the downstream fuel supply chain to end-users.² Collectively, these industries account for more than 90% of the motor fuels sold in the United States. As such, our members are not primarily financial-market participants. They are commercial users of energy markets who rely, directly or indirectly, on liquid and reliable futures markets to manage the price risk associated with buying, storing, transporting, and selling gasoline, diesel fuel, and other transportation fuels. Our members hedge that exposure through New York Mercantile Exchange (NYMEX) standard futures contracts with fixed monthly expirations and physical settlement—

¹ See 91 Fed. Reg. 38,334 (June 25, 2026) (initial Request); 91 Fed. Reg. 47,158 (July 28, 2026) (supplemental notice).

² The National Association of Convenience Stores (NACS) is an international trade association representing the convenience store industry with more than 1,500 retail and 1,600 supplier companies as members, the majority of whom are based in the United States. NATSO, Representing America’s Travel Centers and Truck Stops, currently represents approximately 5,000 travel plazas and truckstops nationwide, comprising both national chains and small, independent locations. SIGMA: America’s Leading Fuel Marketers represents a diverse membership of approximately 260 independent chain retailers and marketers of motor fuel.

principally the West Texas Intermediate (WTI) crude oil futures, Reformulated Blendstock for Oxygenate Blending (RBOB) gasoline futures, and New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures—and through the options, swaps, and physical supply arrangements priced against those benchmarks.

Informed by that perspective, we urge the Commission not to permit either of the products contemplated by the Request at this time, as neither currently satisfies the conditions on which the commercial usefulness of energy futures depends: reliable price formation, effective surveillance, and workable clearing and settlement. Standard energy futures should not trade continuously through weekends and holidays, and we support the Commission’s July 9, 2026 stay of NYMEX’s self-certified 10-barrel WTI crude oil futures contract (the NYMEX Oil 24/7 Contract).³ Likewise, perpetual contracts—instruments for which our members have identified no commercial hedging need—should not reference physically delivered or storable energy commodities, and in no event should such a contract reach the market through ordinary self-certification. But if the Commission does ultimately conclude that either product may proceed in some form, it should do so only on the conditions described below, which would help preserve the reliability of the benchmarks, settlement conventions, and hedging tools that the physical fuel markets—and, by extension, the American motoring public—depend upon.

I. Energy Futures Serve a Critical Commercial Function That Should Guide the Commission’s Review

Energy futures markets exist, in large part, to help commercial participants manage real commodity-price risk. Oil futures, for example, serve that function for our members and others with physical exposure to oil and refined products because they are directly involved in the production, consumption, or trade of those commodities. Non-commercial participants can provide important liquidity by taking the other side of commercial transactions, but in some circumstances they can also trade in volumes large enough to move prices away from market fundamentals. The Commission’s evaluation of both proposals should turn on that distinction: whether each product would serve commercial risk management or would primarily invite speculative trading. We recognize that continuous trading has some theoretical appeal when significant events occur outside traditional trading hours: a hedger facing a weekend natural disaster or an overnight geopolitical shock might value the ability to adjust positions immediately rather than waiting for markets to reopen. But that need already has outlets. Market participants seeking off-hours risk transfer have long had over-the-counter (OTC) alternatives like bilateral swaps and options that are not confined to exchange trading hours.

The question for the Commission, then, is whether either new product would serve an unmet commercial need while preserving the usefulness of energy futures for the hedgers and the physical markets that depend on them. From our members’ perspective, that case has not yet been made. Weekend and holiday trading sessions are likely to be thin, less commercially representative, and more susceptible to market disruption, while a perpetual contract would discard the expiration and delivery mechanics that tie futures prices to physical value. Meanwhile, most

³ See 91 Fed. Reg. at 47,158–59 (extending the comment period and inviting comment on the 10-Barrel WTI Crude Oil Futures contract self-certified by NYMEX on July 8, 2026, and stayed by the Commission on July 9, 2026).

fuel retailers, marketers, and distributors do not have access to fully staffed trading, treasury, credit, legal, and risk-management functions around the clock. This is the commercial reality for the businesses that buy and sell the overwhelming majority of the nation's transportation fuel, and it should carry significant weight in the Commission's review.

II. Current Market Conditions Do Not Support Approval of 24/7 Trading of Standard Energy Futures Contracts

While the Associations do not oppose market innovation, the continuous trading of physical energy commodities should not be approved merely because technology permits it. The relevant inquiry is whether additional trading days and hours would improve the quality and usefulness of price discovery for commercial hedgers—or would instead fragment liquidity, create new opportunities for manipulation, increase operational burdens, and introduce prices into contracts and benchmarks that were never designed to absorb them. Today it is the latter, as the recently stayed NYMEX Oil 24/7 Contract illustrates.

A. More Trading Days and Hours Do Not Mean Better Price Discovery

The Commission asks whether extending standard futures contracts to 24/7 trading would materially change the reliability of prices formed during overnight, weekend, and holiday periods. The answer is yes: the prices formed during these periods would, in today's market, be materially less reliable than prices formed during core trading hours.

Liquidity cannot be assumed simply because a market is open; a market can be open and still be too thin to produce prices that commercial users should be expected to rely on. If off-hours trading periods are dominated by a narrower group of participants, with lower volume, wider bid-ask spreads, or less two-sided commercial flow, price formation becomes less reliable, not more. That concern is particularly acute here because the cash markets against which our members buy and sell physical product—spot assessments and rack postings for gasoline and diesel—operate on defined weekday schedules, with price-reporting assessments conducted in set windows. A futures price printed at 3:00 a.m. on a Saturday, when no contemporaneous physical trading occurs and no assessment is being conducted, cannot fully or accurately represent dynamics in the physical underlying. It creates basis risk for hedgers who use futures to lock in physical supply costs and it degrades, rather than improves, the hedging function these contracts exist to serve.

B. Thin Off-Hours Sessions Would Invite Manipulation of Benchmark Prices

Periods of limited liquidity naturally invite abusive trading. In a thin night, weekend, or holiday session, smaller orders move prices further, one-sided flow overwhelms the order book more easily, and tactics such as spoofing, marking prices at key intervals, and engineered squeezes become cheaper to execute and harder to detect in real time.⁴

⁴ "Spoofing" refers to bidding or offering with the intent to cancel the bid or offer before execution, creating a false appearance of supply or demand, *see* 7 U.S.C. § 6c(a)(5)(C); "marking" refers to trading aggressively at or near a price-setting interval in order to influence the resulting settlement or reference price; and an engineered "squeeze" refers to exploiting concentrated positions or constrained deliverable supply to force counterparties to trade at distorted prices. Each tactic turns on a trader's ability to move prices relative to the capital deployed—precisely what thin one-sided sessions make easier.

Here, the Commission has identified the specific mechanism of concern to our members: a participant holding positions in a benchmark futures contract, or in related trade-at-settlement (TAS) positions, could establish a significant position before the benchmark market closes on Friday, trade a smaller 24/7 contract referencing the same underlying crude oil market over the weekend in a manner that moves prices, and thereby influence price formation when the benchmark market reopens.⁵ Because the weekend contract would trade while the benchmark contract, the listed options markets, and the physical cash market are all closed, the ordinary correcting force of two-sided commercial participation would be absent. The Commission's notice asks whether such dynamics could drive crude oil prices below zero. They could. On April 20, 2020, the expiring NYMEX WTI contract settled at negative \$37.63 per barrel amid constrained storage at Cushing, Oklahoma, the contract's designated physical delivery point—and that episode unfolded during regular trading hours, in a fully surveilled market, with every ordinary safeguard operating.⁶ If one-sided pressure can drive prices to extremes under those conditions, sessions with thinner participation, no contemporaneous cash market to anchor prices, and slower surveillance and escalation are unlikely to perform better. Our concern is not the direction of any particular price move. Distorted benchmark prices harm commercial hedgers in either direction, by impairing hedge effectiveness, triggering margin and contractual obligations, and feeding unrepresentative values into physical pricing formulas.

Oversight would also be stretched thin when it is needed most. If a contract trades 24/7, surveillance must do the same—yet night, weekend, and holiday sessions would predictably operate with leaner staffing, slower escalation paths, and less experienced personnel at exchanges, at futures commission merchants (FCMs), and at commercial firms alike. The pool of experienced physical-energy traders and surveillance professionals is finite; stretching it across every hour of every week means thinner coverage during the sessions most vulnerable to disorder.

C. Off-Hours Prices Could Increase Risks for Physical Contracts and Commercial Hedgers

Motor fuel markets are highly competitive, transparent, and operationally complex. In that environment, our members often price supply, manage inventory, and structure customer arrangements around benchmarks, averages, index references, settlement values, and other market conventions.

The physical fuel contracts to implement these arrangements were drafted against the backdrop of existing market hours and settlement conventions. If weekend or holiday prices are incorporated into official settlements, daily averages, index references, TAS mechanisms, or swap and options valuations, commercial parties could find that prices formed during periods of limited liquidity and little contemporaneous physical market activity—prices they had no practical ability to respond to when formed—influence contracts and pricing formulas throughout the supply chain,

⁵ See 91 Fed. Reg. at 47,159.

⁶ See CFTC, Interim Staff Report: Trading in NYMEX WTI Crude Oil Futures Contract Leading up to, on, and around April 20, 2020 (Nov. 23, 2020).

creating uncertainty about whether benchmark prices continue to reflect underlying physical market conditions. At minimum, the change could require a broad review of legacy supply, procurement, fleet, dealer, credit, and hedging arrangements.

The Commission should not assume that commercial arrangements developed around existing market conventions can seamlessly accommodate continuous price formation, particularly where benchmark prices are expected to represent periods of robust liquidity and active physical market participation. Before permitting 24/7 trading in benchmark energy contracts, the Commission should carefully evaluate how off-hours price formation would affect physical contract pricing, benchmark calculations, hedging effectiveness, and risk-management practices throughout the fuel supply chain. Changes of this nature may also create uncertainty regarding the operation of existing OTC derivatives, financing agreements, collateral arrangements, and other contracts that reference benchmark prices—including whether off-hours prices could be read to trigger valuation, collateral, or default provisions that were never drafted with such prices in mind.

D. Clearing and Payment Infrastructure Is Not a 24/7 System

The Commission also asks how margin calls and settlement obligations would work during periods when traditional payment systems—such as Fedwire and the Clearing House Interbank Payments System (CHIPS)—do not operate. For our members and other commercial users, that issue is central to whether 24/7 energy futures can operate safely at all. If key payment infrastructure is still evolving toward expanded availability, energy futures markets should not race ahead in a way that disadvantages commercial hedgers. A participant who relies on ordinary cash-management systems should not be treated worse than a participant who can move value through digital assets, tokenized collateral, or other real-time settlement arrangements.

Nor should 24/7 trading create a de facto requirement that commercial fuel businesses pre-fund larger margin buffers, hold unfamiliar payment assets, or staff treasury operations around the clock. Those costs would ultimately fall on businesses using futures markets for ordinary commercial risk management, not speculation. Pre-funded weekend buffers tie up working capital in businesses that operate on thin per-gallon margins, and any temporary liquidity facilities maintained by clearing organizations or FCMs to bridge non-banking periods would carry costs that would be passed through to commercial customers. Traditional collateral—cash, U.S. Treasury securities, and letters of credit—should remain fully eligible with low, volatility-adjusted haircuts consistent with current practice. Whatever role tokenized assets and stablecoins may ultimately play for participants that choose to use them, their use should remain a choice: commercial hedgers should not be required to post them, and the eligibility and haircut treatment of traditional collateral should not be disadvantaged in order to encourage adoption of newer alternatives.

E. The Stayed NYMEX Oil 24/7 Contract Illustrates These Concerns

These concerns were borne out on July 8, 2026, when NYMEX, a designated contract market (DCM), self-certified the NYMEX Oil 24/7 Contract—a ten-barrel contract designed to trade twenty-four hours a day, seven days a week, except for limited maintenance windows, including weekend and holiday periods during which the underlying physical crude oil market is

not assessed. The Commission appropriately stayed the listing the next day under Regulation 40.2(c)⁷ to examine whether continuous trading of a standard energy future is consistent with the DCM core principles, and its extension notice now invites comment on all aspects of the contract.

The contract's very design confirms whom these products are for. A ten-barrel contract—one one-hundredth the size of the 1,000-barrel benchmark—is built for retail speculation, not commercial hedging. We are not aware of any fuel marketer that manages physical exposure ten barrels at a time. Yet because the contract references the same underlying crude oil market as the benchmark WTI contract, its weekend prices would not remain isolated from the broader market. They would shape price expectations, options values, and opening dynamics in the benchmark market that commercial hedgers actually use, and they would do so during sessions in which the benchmark market, the listed options markets, and the physical cash market cannot respond. The Commission has asked what safeguards should protect commercial users of benchmark contracts from products designed for retail traders. The most reliable safeguard is not to permit a retail-scaled satellite of a core benchmark to conduct price discovery while the benchmark market is closed.

Regulation 40.2 places the burden on the certifying exchange to demonstrate that a product complies with the Commodity Exchange Act and the Commission's regulations, including the core principles.⁸ The Commission's stay reflects that, with respect to weekend price reliability, surveillance capacity, and clearing and settlement during non-banking periods, those questions remain open. The contract should not be permitted to list unless and until the required demonstration is made on a public record.

The Commission has also asked about the timeline and sequencing for achieving operational readiness for continuous trading. The principal challenge is not whether commercial fuel businesses can adapt to 24/7 trading, but whether current market conditions can support reliable and commercially meaningful price formation during those additional trading hours. Supporting continuous trading would require around-the-clock treasury, credit, and risk-management staffing; renegotiated credit and FCM arrangements; new monitoring systems; and a review of supply and hedging contracts keyed to existing settlement conventions. These recurring costs would be incurred primarily to manage risks created by the new market structure, rather than to address a demonstrated commercial need. Before asking when industry could be ready, the Commission should first ask whether the benefits of continuous trading justify imposing those costs on commercial market participants.

F. If the Commission Nevertheless Permits 24/7 Trading, It Should First Require Strong Safeguards

Current market conditions do not support permitting standard energy futures to trade on a 24/7 basis. But, if the Commission nevertheless concludes that some form of continuous trading may proceed, it should first require, at minimum, the following safeguards.

⁷ 17 C.F.R. § 40.2(c).

⁸ See 7 U.S.C. § 7a-2(c); 17 C.F.R. § 40.2(a).

First, the exchange seeking to list any 24/7 energy futures contract should be required to make a contract-specific showing that prices formed during each proposed trading window will be reliable and commercially useful, supported by evidence regarding expected volume, open interest, bid-ask spreads, order-book depth, trade-size distribution, participant composition, commercial versus non-commercial activity, concentration, and volatility. General statements about “access” or “innovation” should not be enough. The exchange should also be required to stress-test foreseeable weekend and holiday conditions—geopolitical events, refinery outages, pipeline or terminal disruptions, severe weather, one-sided order flow, and concentrated positions—and to make the results available to the Commission and the public.

Second, off-hours prices should not be incorporated into an exchange’s official settlement prices or benchmark calculations unless the exchange demonstrates that the relevant off-hours market is sufficiently liquid, representative, and resistant to manipulation. The Commission should require clear rules and disclosures explaining whether and how off-hours prices will be used in daily and final settlement prices, TAS and related mechanisms, options valuation and exercise, swaps and other derivatives, physical supply contracts, and benchmark and index calculations, along with a transition period long enough for commercial users to review affected contracts, pricing formulas, systems, and risk-management procedures before any change becomes operative.

Third, weekend and holiday sessions should be subject to surveillance, staffing, and escalation procedures equivalent to those in place during ordinary market hours, plus strong market controls—position accountability, price limits, circuit breakers, stop-logic functionality, and trade-cancellation rules—and enhanced monitoring of activity across related contracts, including standard futures, TAS positions, options, and any linked or look-alike product trading during thinner sessions.

Fourth, before any 24/7 energy product is listed, derivatives clearing organizations (DCOs), DCMs, FCMs, and clearing members should be required to explain how margin, collateral, and forced-liquidation procedures would operate during nights, weekends, and holidays: whether margin calls will be issued during non-banking periods; what collateral will be accepted, and at what haircuts; how participants that cannot move funds until banking systems reopen will be treated; whether additional initial margin will be required before weekends or holidays; and how customer-protection rules will apply in practice. Satisfactory answers must be available before market launch, not after a stressed overnight, weekend, or holiday session exposes gaps.

III. Perpetual Contracts Should Not Reference Physically Delivered or Storable Energy Commodities

Perpetual contracts present a different and more fundamental concern. The Commission’s order of May 29, 2026 permitting a DCM to list a bitcoin-linked perpetual contract was expressly limited to digital commodities with “deep, active, and continuous spot-market trading,” and rested on the continuous, transaction-based observability of the bitcoin spot price.⁹ As the Request explains, the accompanying policy statement specified that perpetual contracts referencing asset

⁹ See 91 Fed. Reg. at 38,335 (describing the order).

classes not contemplated by that order—including energy products—“would be evaluated on their own terms.”¹⁰ Evaluated on their own terms, physically delivered and storable energy commodities cannot today support a perpetual structure. They are tied to storage, transportation, quality, delivery locations, settlement conventions, and cash-market pricing windows. Those features make expiration, delivery, and convergence mechanisms central to the commercial utility of standard energy futures.

A. No Continuously Observable, Manipulation-Resistant Reference Price Exists for Physical Energy Commodities

Core Principle 3 permits a DCM to list only contracts that are not readily susceptible to manipulation, and the Commission’s guidance in Appendix C to Part 38 provides that a cash-settled contract meets that standard only where its settlement price is reliable, publicly available, and timely, and is computed from a cash market that is sufficiently liquid and not itself readily susceptible to manipulation.¹¹ A perpetual contract raises that requirement to a continuous standard: because the funding-rate mechanism operates at every funding interval rather than at a single expiration, the reference price must be reliable at every interval, around the clock, indefinitely. The contract’s mark price—the value used for margining and liquidation—is derived from the same reference, so both mechanisms depend on the integrity of the reference price at each calculation interval.

No such reference exists for crude oil or refined products. There is no continuously traded, transaction-based cash market for these commodities; physical crude and products trade bilaterally and are assessed by price-reporting agencies during defined weekday windows. During nights, weekends, and holidays there is no observable cash price, and the available alternatives are insufficient. Referencing the DCM’s own futures price would make the perpetual contract a derivative of a derivative and would create a direct cross-market manipulation channel, in which positions in the perpetual contract could be used to influence the referenced futures price—or vice versa—at or around each funding calculation. Referencing an assessed physical price would import a benchmark that is not published continuously and not directly surveilled by the Commission. And a composite index would inherit the weaknesses of its components. Because the threshold condition of Core Principle 3—that a contract not be readily susceptible to manipulation—cannot presently be satisfied on a continuous basis for these commodities, the inquiry should end there.

B. A Funding Rate Cannot Substitute for Expiration and Delivery in Markets with Real Carrying Costs

Standard energy futures work for commercial participants because they converge with physical value through fixed expirations and delivery. The NYMEX WTI contract is physically delivered in Cushing, Oklahoma; the RBOB gasoline and ULSD contracts that our members use to hedge motor fuels are physically delivered in New York Harbor. Each has a defined monthly expiration, and each month’s price embeds the market’s assessment of storage costs, transportation, seasonality, and convenience yield—the term structure, in contango or

¹⁰ 91 Fed. Reg. at 38,335; see 91 Fed. Reg. 33,160 (June 3, 2026) (policy statement).

¹¹ 7 U.S.C. § 7(d)(3); 17 C.F.R. pt. 38, app. C.

backwardation, that commercial hedgers rely on to match hedges to physical positions. Expiration and delivery are the mechanism by which futures prices remain anchored to physical fundamentals, and a perpetual contract removes that anchor by definition.

A funding rate is not a viable substitute. Funding-rate mechanisms were developed for digital assets without significant cost of carry. Nothing in a periodic funding payment naturally reflects storage economics, transportation constraints, or seasonal demand cycles, and over extended holding periods the accumulation of funding payments could interact with storage cycles and term structure to produce persistent distortions rather than convergence.

The April 2020 episode discussed above illustrates what is at stake here. That dislocation was severe, but it was contained and resolved because of the very features a perpetual contract lacks: the stress was confined to the expiring contract, later-dated months traded at positive prices the same day, and the expiration and delivery process brought the episode to a terminal close. A perpetual contract has no terminal event. A comparable dislocation would propagate through the contract's mark price, funding payments, and automatic liquidation mechanics indefinitely. Nor is it clear those mechanics would function at all under such conditions. Funding rates, margin calculations, and liquidation triggers are conventionally computed as percentages of a positive contract value; at or below zero, those calculations break down, and liquidation engines built on the assumption that prices cannot go negative would confront conditions their design never contemplated. In April 2020, established futures and options markets had to adopt emergency changes to pricing models simply to accommodate negative values—and even then they had an expiration date that ended the episode, which a perpetual contract would not have.¹²

C. There Is No Commercial Hedging Need for an Energy Perpetual Contract

The Commission has asked whether commercial market participants such as producers, refiners, merchants, transporters, and end-users anticipate using a perpetual contract to hedge cash-market exposure. Our members have expressed no interest in doing so, and none has identified a hedging or risk-management need that existing futures, options, swaps, and OTC instruments fail to meet. The one attribute of a perpetual contract sometimes described as a benefit—eliminating the monthly roll—is a matter of convenience, not commercial necessity, and it comes at the cost of the expiration and delivery mechanics that make energy futures reliable hedging instruments in the first place.

Demand for an energy perpetual contract would therefore be, in substance, speculative demand. That matters for customer protection as well: a leveraged, no-expiration contract on a geopolitically sensitive physical commodity, offered to retail participants and subject to continuous mark-to-market, funding, and automatic liquidation mechanics, squarely presents the rapid-loss risks identified in the Commission's customer-protection questions.

¹² See, e.g., CME Group, Clearing Advisory [No. 20-152](#), Switch to Bachelier Options Pricing Model (Apr. 8, 2020).

D. A Perpetual Contract Cannot Be Reconciled with the Federal Position-Limits Regime

NYMEX WTI crude oil is a core referenced futures contract subject to federal speculative position limits under Part 150, with spot-month limits tied to estimated deliverable supply at Cushing.¹³ That framework presumes a contract with an expiration: the spot-month limit applies during a defined window approaching expiry and is calibrated to deliverable supply. A perpetual contract has no expiration, no spot month, and no delivery, and therefore cannot be coherently mapped into that architecture. Nor is it apparent how the bona fide hedging definition, framed around offsetting cash-market risk through positions capable of resolution in the delivery process, would apply to a position with no delivery and no terminal date.

That gap presents more than just a technical concern. Because a perpetual contract's mark and funding would reference a price that converges to physical value only through the standard contract, a large perpetual position would create an economic incentive to influence the referenced contract's price during its spot month without the perpetual contract itself ever touching delivery. That is precisely the conduct spot-month limits exist to prevent, but it would occur in an instrument to which those limits do not apply. And if a perpetual contract gained significant volume, its price signals would feed back into the standard futures contracts our members use, affecting volatility, margin requirements, and hedge reliability in the benchmark contracts themselves.

E. At Minimum, No Energy Perpetual Contract Should Be Listed Without Prior Commission Review on a Public Record

For all of these reasons, the Commission should not permit perpetual contracts to reference physically delivered or storable energy commodities. At minimum, no such product should reach the market through ordinary self-certification. The July 2026 NYMEX episode demonstrates why: a self-certified product can be listed on little more than a day's notice, before any public record exists, and the burden that Regulation 40.2 places on the certifying exchange is not tested in advance absent Commission intervention. For a product class that would need to satisfy Core Principle 3 continuously, reconcile a funding mechanism with physical carrying costs, and fit within the position-limits regime, next-day listing is not an acceptable path to market.

Any proposal to list an energy perpetual contract should instead be subject to prior Commission review on a public record. That review should require the exchange to identify a reference price that is reliable, liquid, transparent, and manipulation-resistant at every funding interval; to demonstrate that the funding mechanism is transparent, predictable, resistant to gaming, and capable of reflecting the carrying costs of the underlying commodity; to explain how the contract would be integrated into the Part 150 position-limits framework; and to address whether the contract would serve a commercial hedging need that existing instruments do not meet.

¹³ See 7 U.S.C. § 6a; 17 C.F.R. pt. 150.

Finally, any such review should address customer protection directly, including whether access should be limited to eligible contract participants and what disclosure, suitability, and leverage safeguards would apply. Unless and until these showings are made, the answer to the Commission's line-drawing question is straightforward: crude oil and refined petroleum products are not appropriate candidates for a perpetual contract.

* * *

Energy derivatives markets are vital to the physical fuel markets. They help commercial businesses manage risk, support competitive pricing, and provide the signals that guide real-world decisions. The Commission should be open to market evolution and product innovation, as are our members. However, neither of the products addressed in the Request benefits the commercial participants these markets exist to serve. Unless and until that demonstrably changes, the Commission should decline to permit 24/7 trading of standard energy futures, should keep the stay of the NYMEX Oil 24/7 Contract in place, and should not permit perpetual contracts to reference physically delivered or storable energy commodities.¹⁴

We appreciate the Commission's attention to these issues, and we would welcome the opportunity to provide additional information as its review moves forward.

Respectfully submitted,

The National Association of Convenience
Stores (NACS)

NATSO, Representing America's Travel
Centers and Truck Stops

SIGMA: America's Leading Fuel Marketers

¹⁴ Nor should these products reach U.S. customers through offshore platforms operating outside the Commission's oversight. The Commission should make clear how its existing authorities apply to such platforms and should coordinate with foreign regulators to close that channel. *See* 7 U.S.C. § 6(a) (off-exchange futures); *id.* at § 2(c)(2)(D) (retail commodity transactions); 17 C.F.R. pt. 48 (foreign boards of trade).