

00-21
18

**C L I F F O R D
C H A N C E
R O G E R S & W E L L S**

David Yeres
Partner
DIRECT TELEPHONE 212-878-8075
DIRECT FAX 212-878-8027
david.yeres@cliffordchance.com

August 4, 2000

RECEIVED
C.F.T.C.
00 AUG 15 PM 12 51
RECEIVED C.F.T.C.
RECORDS SECTION

By Facsimile and by Email
Commodity Futures Trading Commission
3 Lafayette Centre
1155 21st Street NW
Washington, DC 20581
Attention: Office of the Secretariat

Re: Request for Comment Period Extension; Proposed Regulatory Reinvention; Proposed Rules Concerning Intermediaries; Proposed Clearing Organizations Reinvention; Proposed Exemption for Bilateral Transactions¹

Ladies and Gentlemen:

On behalf of our client, New York Independent System Operator ("NYISO"), we respectfully request that the Commission extend the comment period for four proposed rulemakings published in the Federal Register on June 22, 2000 (together the "New Regulatory Framework Releases"), and which currently have a comment period ending on August 7, 2000.

NYISO is an entity regulated by the Federal Energy Regulatory Commission ("FERC") for the purpose of assuring the reliability of the bulk power system in New York State, facilitating wholesale competition by ensuring open, non-discriminatory access to New York State's transmission facilities and operating wholesale electric power markets for energy, capacity, transmission and ancillary services within New York State. NYISO's members include all of the owners of electric transmission facilities located in New York State as well as generators and other wholesale suppliers and purchasers of electric power. NYISO, under FERC regulation, conducts wholesale markets for power as well as power generating capacity and electric transmission congestion charges.

The New Regulatory Framework Releases propose far-reaching and fundamental changes to modernize Federal regulation of commodity futures and option markets. Concurrently,

¹ Commodity Futures Trading Commission, A New Regulatory Framework for Multilateral Transaction Execution Facilities, Intermediaries and Clearing Organizations, 65 Fed. Reg. 38,985 (June 22, 2000); Commodity Futures Trading Commission, Rules Relating to Intermediaries of Commodity Interest Transactions, 65 Fed. Reg. 39,008 (June 22, 2000); Commodity Futures Trading Commission, A New Regulatory Framework for Clearing Organizations, 65 Fed. Reg. 39,027 (June 22, 2000); Commodity Futures Trading Commission, Exemption for Bilateral Transactions, 65 Fed. Reg. 39,008 (June 22, 2000).

several bills are pending in Congress that address many of the same issues.² Considering the extensive nature of these proposed regulatory and legislative changes, as well as the number of possible approaches being presented, we request that the Commission extend the comment period until September 20, 2000.

We believe, and the simultaneous manner in which these rulemaking notices were released suggests, that the four releases published on June 22, 2000, should be considered as a whole rather than individually. The current 46 day comment period is, we submit, clearly insufficient to ensure an adequate opportunity for submission of meaningful comments with respect to any single one of these lengthy and very important releases. Together they present a significant change in current regulations the implications of which will require a longer period of time to fully consider.

In comparison with other recent CFTC rulemaking notices, the New Regulatory Framework Releases are considerably more complex relative to more "routine" rulemaking proposals that have warranted an initial 60 day comment period.³ In a recent proposed CFTC rulemaking with less far-reaching impact, the Proposed Revision of the Commission's Procedures for the Review of Contract Market Rules,⁴ an initial comment period of 60 days was subsequently extended by the Commission to 90 days. We feel that the changes proposed in the New Regulatory Framework Releases are more fundamental than those in any of the above releases, and accordingly we request that the comment period be extended to at least 90 days. As we have explained, however, the current comment period is not sufficient to permit NYISO to fully consider the implications of the New Regulatory Framework Releases. Thank you in advance for your consideration of these views.

² Commodity Futures Modernization Act of 2000, S. 2697 (introduced June 8, 2000); Commodity Futures Modernization Act of 2000, H.R. 4541 (introduced May 25, 2000), ordered reported by the Committee on Agriculture on June 27, 2000 (this bill and amendments thereto are being considered in the House Committees on Agriculture, Banking, and Commerce). *See also* Commodity Futures Modernization Act of 2000, House of Representatives Report 106-711 (June 29, 2000).

³ *Cf.* Commodity Futures Trading Commission, Public Reporting by Operators of Certain Large Commodity Pools, 65 Fed. Reg. 20,395 (April 17, 2000) (60 day comment period); Commodity Futures Trading Commission, Exemption for Commodity Pool Operators With Respect to Offerings to Qualified Eligible Participants; Exemption for Commodity Trading Advisors With Respect to Advising Qualified Eligible Clients, 65 Fed. Reg. 11,253 (March 2, 2000) (60 day comment period).

⁴ Commodity Futures Trading Commission, Proposed Revision of the Commission's Procedure for the Review of Contract Market Rules, 64 Fed. Reg. 66,428 (Nov. 26, 1999) (initially a 60 day comment period); Commodity Futures Trading Commission, Proposed Revision of the Commission's Procedures for the Review of Contract Market Rules, 65 Fed. Reg. 3623 (Jan. 24, 2000) (extending the comment period from 60 to 90 days).

Very truly yours,

David Yeres by DEZ

David Yeres

cc: Chairman William J. Rainer
Commissioner David D. Spears
Commissioner Barbara Pederson Holum
Commissioner James E. Newsome
Commissioner Thomas J. Erickson
De'ana Dow
Robert Paul
Paul M. Architzel
Alan L. Seifert
Robert Fernandez
Ira Freilicher