

Received CFTC  
Records Section

10/31/02

02-13  
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Webb, Jean A.

**From:** secretary  
**Sent:** Monday, October 28, 2002 5:38 PM  
**To:** Webb, Jean A.; Colbert, Edward W.; Brown, Debyn R.; Alvarez, Maria  
**Subject:** FW: CME proposed Spec Limit change

OFFICE OF THE SECRETARY  
OCT 30 11 09 AM  
CFTC

-----Original Message-----

**From:** Brett Gottsch [mailto:BrettG@gottsch.net]  
**Sent:** Monday, October 28, 2002 5:19 PM  
**To:** 'secretary@cftc.gov'  
**Subject:** CME proposed Spec Limit change

COMMENT

Dear Ms. Jean Webb,  
I am once again astonished by the lack of responsibility the CME has shown towards the traders of the Live Cattle contract. The lack of understanding that it must have taken to make such a decision is beyond my comprehension.

Our family has been a long time user of the Live Cattle contract until lately. It became clear to us that the CME was not going to move in the direction to even the playing field with their policy decisions for the rules of this contract. This contract has always had a downward bias in many of its policies and when the weight limits were increased to allow discount type cattle into the delivery system we decided we needed to see a change of attitude at the CME before we were willing to risk the future of our company on such an unbalanced system.

Now I understand, the CME staff, without regard to input from the contract users, has made a decision to reduce spec limits from 600 to 300 by the first delivery notice day. And if that is not bad enough, it made it retroactive to a contract that is only a week from becoming spot month. Again, I am amazed by the total lack of reason behind and to publish this as being good for the contract proves to me that the CME staff has no one that truly understands the contract they are supposed to be safeguarding. The mistakes were made when the CME the Live Cattle contract would be better off without any committee of users to go to for guidance for these types of decisions. Even more depressing is that this type of decision was made prior to making anyone aware of a possible rules change until it was voted on or what ever the CME staff does when they make these types of decisions.

I understand a committee is being formed to address some possible changes to the Live Cattle December 2003 contract. It is good that the staff is asking for input from this committee, but I do not understand why this change is so urgent that it cannot wait for input like the rest of the possible changes can. If you do nothing at all, your decision should be to include this issue in the committee being formed and wave any immediate changes that may have severe unintended results.

We need the spec limits to attract longs to the market. You must reestablish a balanced committee to address all of the issues that effect the validity of this contract.. I wonder sometimes if the staff at the CME isn't trying to get rid of this contract because it scares them as it tries to sell the CME as an IPO.

Brett Gottsch  
Gottsch Enterprises  
Introducing Broker  
Office Manager

10/30/02