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August 14, 2006

Ms. Eileen A. Donovan
Acting Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW,
Washington, DC 20581

COMMENT

Re: 17 CFR Part 38, Conflicts of Interest in Self-Regulation and Self-Regulatory Organizations; CFTC Proposed Acceptable Practices, 71 FR 38740 (July 7, 2006)

Dear Ms. Donovan:

On behalf of Cargill Juice North America, Inc., I am submitting these comments in response to the "Conflicts of Interest in Self-Regulation and Self-Regulatory Organizations Proposal" (the "Proposal") published by Commodity Futures Trading Commission (CFTC) in the Federal Register on July 7, 2006. Cargill Juice believes it is counterproductive and unreasonable to require 50 percent of an exchange's governing board and executive committee to be comprised of "public members." We ask that this part of the proposal be rescinded.

Cargill Juice North America is a business unit of Cargill, Inc. who processes juices in Florida and buys/sells juices globally. We use NYBOT's Orange Juice futures contracts to manage risk as a trade hedger. We have been involved in the governance of the OJ markets as a member on the Board of Citrus Associates Committee as well as having Cargill represented on the NYBOT Board. We feel it is absolutely critical to maintain an active trade representation in governance and representation in order to be made most effective as a hedging vehicle.

The Proposal lists the 50 percent public member rule as an acceptable practice that an exchange must follow in order to receive "safe harbor" treatment by the CFTC for compliance with the Core Principle to "minimize conflicts of interest in the decision making process." Noncompliance with CFTC's acceptable practices gives the impression that an exchange is not rigorously carrying out its self-regulatory duties. However, the proposed board composition requirement would not contribute to minimizing conflicts of interest or serve the public interest. Instead, it would diminish the diversity of representation on exchange boards and dilute the participation of agricultural and other commercial market users, thereby removing a successful and time-tested measure for protecting market integrity.

Adequate board representation of commercial producers, sellers and users of the commodities that are traded on an exchange ensures that a range of product expertise is available during board deliberations. If half of the board must be public members, it will not be possible for an exchange to maintain adequate representation of the various commercial market users.

The CFTC acknowledges that NYBOT successfully carries out its self-regulatory duties and conflicts of interest are not a problem. NYBOT has five public board members (20 percent of its board), who also serve on disciplinary committees and comprise a regulatory oversight committee that reviews and makes recommendations regarding the Exchange's self-regulatory operations. NYBOT also has a conflict of interest rule for board members, which precludes a member from voting on certain decisions where the member or the member's firm may have a material interest. These direct means of avoiding conflicts and protecting the public interest are sufficient and more effective than creating a board composition requirement.

We therefore urge the CFTC to rescind this board composition proposal. Instead, the CFTC should once again acknowledge the importance of board diversity, including representation of the agricultural commodities and financial instruments traded on the exchange.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Abuhamon", with a stylized flourish at the end.

President