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COMMENT

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September 5, 2006

Ms. Eileen Donovan  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

RE: Regulatory Governance; 71 FR 38740 (July 7, 2006) ("Release")

Dear Ms. Donovan:

I am writing to address the public comment period for the Commodity Futures Trading Commission's "Conflicts of Interest in Self-Regulation and Self-Regulatory Organizations."

I have been a member of the Kansas City Board of Trade for close to 25 years and have served on the Board of Directors and various committees numerous times.

I do not see a need for the Boards of Directors or the executive committees to be 50% public. "Public" directors lack the requisite expertise to handle the day-to-day decisions or the extraordinary decisions faced by our industry. By having exchange members serve on these committees, we are assured of continual public confidence in our system. There have been no "problems" at futures exchanges in the past, especially non-public exchanges such as the Kansas City Board of Trade. Exchange members have a vested interest to ensure public confidence of market users and the fair administration of the rules and regulations of our exchange. Kansas City Board of Trade members are fully aware of the value of our customers' confidence. There has been no demonstrable example in recent history of exchange members putting their self-interest ahead of the interests of our customers. Also, existing rules require recusal when a member does have direct interest in the financial outcome of an issue under consideration.

The Board of Directors of the Kansas City Board of Trade already includes a diversity of interest between FCMs, commercial users, brokers, traders and the

September 5, 2006  
Page 2

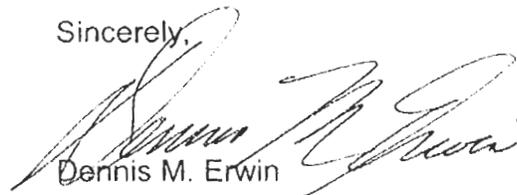
public. The Kansas City Board of Trade already values outside directors' opinions as it has since its inception.

I feel these regulations may be directing the world away from the United States. "An analysis by Peter Wallison, of the American Enterprise Institute suggests that the cost to the US economy of the Sarbanes-Oxley Act of 2002 may be several times the peak market value of Enron and its fellow corporate villains...The biggest long-term loss to Wall Street is the business it is driving away...More visible is new business lost to foreign exchanges, mainly in Europe and particularly in London." (*Business Times Online United Kingdom, August 11, 2006*)

Do we really want our business, which all commodity exchanges have worked so diligently to maintain and grow, to look elsewhere with less regulation? As a member of the Kansas City Board of Trade, a resounding NO would be the answer.

In closing, I would like to state that the Kansas City Board of Trade ownership is unchanged for 150 years. National and global competition has continued to make the members of the Kansas City Board of Trade acutely aware of the importance of confidence of our customers. Public trust and market integrity have served the Kansas City Board of Trade well over the years, and we have experienced no crisis of confidence. Let us not forget that one size does not fit all and too much regulation may send our business for which we have worked so hard elsewhere!

Sincerely,



Dennis M. Erwin