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# United States Senate

WASHINGTON, DC 20510

September 2, 1998

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1998 SEP - 2 P 1:05

The Honorable Brooksley E. Born, Chairperson  
Commodity Futures Trading Commission  
1155 Twenty-first Street, N.W.  
Washington, D.C. 20581

## COMMENT

OFFICE OF THE SECRETARY

Dear Chairperson Born:

Thank you for considering the comments we submitted last May regarding the pending application of Cantor Financial Futures Exchange, Inc. to become a futures exchange designated by the Commodity Futures Trading Commission.

As we indicated, the unprecedented nature of the proposal raises a host of complex questions that deserve careful scrutiny, and which should be answered fully before the Commission considers approval of the application.

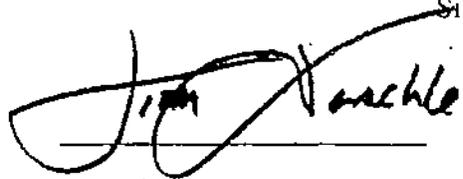
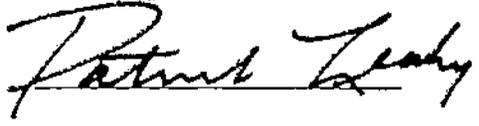
Since we wrote to you, the application has been amended numerous times. Many of these changes were submitted after the close of the last public comment period. In view of these changes and the uncertainty they have raised, we recommend that the Commission publish for public comment the completed application in the final form in which it will be considered by the Commission for approval. Unless this occurs, neither members of Congress nor other interested parties will have an opportunity to review or comment on the proposed exchange as it would be operated.

The issue of evolving technological changes in the trading of futures is a critical one. We should proceed carefully and thoughtfully as we address these changes so that rules will be implemented in a way that is equitable to all forms of trading and consistent with the national public interest.

It is extremely difficult to ascertain how a proposal could be approved consistent with the Commission's responsibility to maintain consumer protection and market integrity without other parties having the opportunity to review the proposal in its totality and in its final form. Given the numerous changes submitted by the applicant late in the process, the Commission should avail itself of public and Congressional comment on the final Cantor application.

Thank you for your consideration of these concerns.

Sincerely,


cc: The Honorable Barbara Pederson Holum  
The Honorable John E. Tull, Jr.  
The Honorable David D. Spears  
The Honorable James E. Newsome

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