

LEHMAN BROTHERS

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CHARLES P. NASTRO
MANAGING DIRECTOR
DIRECTOR OF FUTURES

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April 22, 1999

Ms. Jean Webb
Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, NW
Washington, DC 20581

COMMENT

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Re: Proposed Rules Governing Access to Automated Boards of Trade

Dear Ms. Webb:

Lehman Brothers Inc. respectfully submits this comment letter to the Proposed Rules Governing Access to Automated Board of Trade ("Proposed Rules").

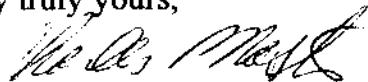
We have read the letter and proposal submitted by the Futures Industry Association ("FIA"), dated April 19, 1999 (the "FIA Letter"), and its letter clarifying its position, dated April 20, 1999. Lehman Brothers Inc. fully supports the position taken by the FIA, namely that the Proposed Rules not be left standing, that is, that they be withdrawn in their entirety, and that the moratorium on placement of foreign terminals be immediately lifted.

This is a critical time for the U.S. futures industry. We do not need complicated rules governing access to the global futures markets, especially when one considers that almost all such trading today is done by very sophisticated investors. Instead, we need a carefully planned approach that employs the use of best practices or guidelines, such as those suggested in the FIA Alternative Proposal as set forth in Attachments A and B to the FIA Letter. Moreover, the U.S. futures industry must work together with its industry colleagues around the globe, with government and exchange officials and with the end users to establish a set of such best practices and guidelines to create a uniform approach to acceptable standards of conduct, whether they involve access to the markets or electronic trading systems themselves. The global futures industry is changing, and changing quickly, and we need guidelines to address these rapid changes, not prescribed rules.

LEHMAN BROTHERS INC.

We recognize that this is a very different approach that the CFTC must now undertake. It will require delicate and thoughtful consideration in an environment that is demanding access now. My colleague, Ronald Filler, who is President of the FIA Law and Compliance Division, and I therefore welcome the opportunity to meet with CFTC officials to discuss our comments and thoughts and to work with the Commission on these and other issues facing the Commission and the U.S. futures industry.

Very truly yours,



Charles P. Nastro
Director of Futures

cc: Hon. Brooksley E. Born
Hon. Barbara P. Holum
Hon. David D. Spears
Hon. James E. Newsome
I. Michael Greenberger
Daniel R. Waldman
Geoffrey Aronow
Ronald H. Filler