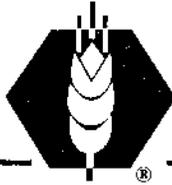


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**National Grain and Feed Association**

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**COMMENT**

February 21, 2000

Ms. Jean A. Webb  
Secretary of the Commission  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

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Dear Ms. Webb:

Regarding: FR proposal, November 26, 1999, concerning CFTC procedures for review of contract market rules.

The National Grain and Feed Association is comprised of 1,000 member companies involved in cash grain and feed marketing as well as futures market activities. The primary use of futures by our members is for the efficient hedging and pricing of cash grain transactions.

The proposal to allow regulated exchanges to amend contracts without prior approval by the CFTC carries some acknowledged risk, the most significant of which is unintentional mistakes that could materially affect the contract markets, thus potentially affecting values of open positions.

Even with this risk, in an effort to pursue less regulated/less costly ways of doing business, NGFA is supporting this change, with the understanding that the exchanges will voluntarily review their own internal decision-making processes on market rule changes. We believe such a review is clearly in the best interest of all market participants to ensure that appropriate expertise from both cash and futures segments of the industry is in place to fully evaluate rule changes in an effort to avoid costly mistakes. While the regulatory relief proposed would permit contract market rule changes on short notice, we think the exchanges should implement internal processes and external communications programs to ensure that no rule change comes as a shock or surprise to the cash or futures industry that depends on performance of the contract.

If this rule is adopted as proposed, we believe it would be prudent for the exchanges to report on their internal decision process, not only to their full membership but also to their entire customer base to ensure the appropriate checks and balances are in place. This would give the market users a higher level of confidence that the exchanges are fully prepared to manage this higher level of self-regulatory responsibility.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Tom Coyle", written in a cursive style.

Tom Coyle  
Chair, Risk Management Committee

CC: Chicago Board of Trade  
Kansas City Board of Trade  
Minneapolis Grain Exchange  
Chicago Mercantile Exchange