

rf04-003

20

U.S. COMMODITY FUTURES TRADING COMMISSION

Three Lafayette Centre
1155 21st Street, NW, Washington, DC 20581
Telephone: (202) 418-5000
Facsimile: (202) 418-5521



June 18, 2001

Mr. Edmund R. Schroeder
Cadwalader, Wickersham & Taft
100 Maiden Lane
New York, NY 10038

Re: Application of BrokerTec Clearing Company, L.L.C. for Registration as a Derivatives Clearing Organization

Dear Mr. Schroeder:

By letters dated May 8, 2000 through June 8, 2001, BrokerTec Clearing Company, L.L.C. ("BCC" or "BrokerTec Clearing"), an affiliate of BrokerTec Futures Exchange, L.L.C. ("BTEX" or "Exchange"), applied to the Commodity Futures Trading Commission ("Commission"), pursuant to Section 5b of the Commodity Exchange Act ("Act"), 7 U.S.C. §7a-1, for registration as a derivatives clearing organization ("DCO"). The Commission has reviewed the materials submitted and has determined to register BCC as a DCO, pursuant to Sections 5b of the Act, 7 U.S.C. §7a-1.

Concurrent with registration, the Commission approved, pursuant to Section 5c(c) of the Act, 7 U.S.C. §7a-2(c), BCC Bylaw Sections 1.1, 1.2, 2.1 - 2.7, 3.1 - 3.19, 4.1 - 4.5, 5.1 - 5.15, 6.1 - 6.12, 7.1 - 7.5, 8.1 - 8.5, 9.1 - 9.5, 10.1, and 11.1 - 11.13 and BCC Rules 101 - 110, 201 - 209, 301, 302, 401 - 404, 501 - 507, 601 - 603, 801 - 805, and 901 - 907.

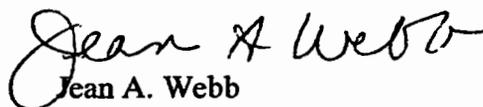
The Commission's registration is based upon, among other things, written submissions, explanations, and representations provided by BCC describing the manner in which BrokerTec Clearing will operate. The Commission's registration is also based upon written submissions, explanations and representations provided by (1) BCC and the Board of Trade Clearing Corporation ("BOTCC") concerning how BOTCC would assist BCC in carrying out its responsibilities as a DCO, and (2) BCC and BTEX concerning how BTEX and the National Futures Association would assist BCC in deterring, detecting, and prosecuting rule violations. BCC should inform the Commission of any material modifications to the operation of BCC, BTEX, the BTEX Trading System, or BCC's agreement with BOTCC to provide certain clearing processing services.

U200101857B

Mr. Edmund R. Schroeder
Page 2

In approving BCC's registration, the Commission is not approving the agreement covering clearing processing services between BCC and BOTCC. Further, BCC remains directly responsible to the Commission for ensuring the performance of all self-regulatory functions required of it as a DCO under the Act, including enforcement of the terms of all BCC Bylaws and Rules.

Sincerely,



Jean A. Webb
Secretary of the Commission

cc: Douglas Harris, BCC
Edward Rosen, Cleary Gottlieb Steen & Hamilton
Yvonne Downs, NFA