

Bernard W. Dan
President and
Chief Executive Officer

June 9, 2005

Ms. Jean A. Webb
Office of the Secretariat
Commodity Futures Trading Commission
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Request for Approval of Phase II of a Global Clearing Link

Dear Ms. Webb:

The Board of Trade of the City of Chicago, Inc. ("CBOT®") previously filed comments on the March 14, 2005 requests of The Clearing Corporation ("CCorp") and U.S. Futures Exchange, LLC ("USFE") that the Commodity Futures Trading Commission take certain regulatory actions to permit implementation of Phase II of a Global Clearing Link ("GCL" or "Clearing Link") between Eurex Clearing AG ("Eurex Clearing") and CCorp. In that letter, the CBOT raised several issues about the structure, function and customer protection aspects of the proposed Phase II link. We continue to have concerns about each of those areas.

One particular question we raised in our previous letter was about the treatment of customer funds under the Phase II link proposal in cases of bankruptcy. As we noted at the time, if the Commission were to permit the structure requested by CCorp, and Phase II of the Clearing Link were implemented, commingled segregated and secured funds could routinely reside in the foreign depositories of Eurex Clearing members. Such customer funds held in German accounts would be subject to the risks of a bankruptcy of the U.S. FCM and of the Eurex Clearing member. If the Eurex Clearing member becomes the subject of an insolvency proceeding in Germany, the ability of the U.S. customer to retrieve its funds in the account with the member will be subject to German insolvency law.

The current pending requests for implementation of Phase II do not demonstrate that U.S. customers utilizing the Clearing Link will receive the same treatment in an FCM bankruptcy as if their trades were cleared on a registered DCO. The outcome depends on the provisions of applicable foreign law, the identity of foreign creditors who might seek to use foreign law to attach assets outside of the United States and the actions of the foreign court in response to such a proceeding.

Given these lingering concerns, we read with interest recent press reports that the CFTC is working with Eurex and German authorities in its evaluation of the pertinent issues and

anticipates receiving information relating to the applicable bankruptcy regimes. We commend the Commission for pursuing detailed information on this most important issue and urge the Commission to make any such information available to the public for review and comment.

Thank you in advance for your consideration of this request. As always, the CBOT appreciates the opportunity to provide comments on matters pending before the Commission.

Sincerely,

A handwritten signature in black ink that reads "Bernard W. Dan". The signature is written in a cursive style with a large, stylized "D" at the end.

Bernard W. Dan