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ADVANCE TRADING INC.

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COMMENT

March 20, 1998

Jean A. Webb
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st St., N.W.
Washington, DC 20581

RE: Regulation to Non-Competitive Transactions Executed on or Subject to the Rules of a Contract Market

Dear Ms. Webb:

As a board member and Vice President of Operations for Advance Trading, Inc., I recommend the present system of transacting EFP's as ex-pit exchanges for pricing cash grain contracts be maintained. The present regulation and implementation of EFP transactions on grain commodities facilitates the trading of cash grain. To require those pricing activities to be done in the pit will increase clearing costs to the industry with no substantive benefit.

There is no lack of price discovery activity or liquidity in the grain commodity exchanges. Therefore, trading these cash contract pricings for purchase and sales contracts simultaneously in the pit would not have a significant impact on price direction.

In addition, volume of EFP's as a percentage of total trading volume has declined over the last ten years. Therefore, adding these trades to the open outcry of the pit would be a minor influence to the total trade.

Finally, this forces the cash grain trading sector to look for other alternatives for risk management of their operations which could result in less volume for the exchanges.

We in the industry do not need government regulatory oversight adding cost to areas that are functioning cost efficiently when no benefit is perceived or anticipated.

Respectfully,

Harry Woods

Harry Woods
Vice President - Operations