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2003 JUL 14 AM 11: 44

July 14th, 2003

Deutsche Bank Securities Inc.
Global Exchange Services
60 Wall Street
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New York, NY 10005-2668

Ms Jean A. Webb
Secretary of the Commission
Commodity Futures Trading Commission
3 Lafayette Center
1155 21st Street, N.W.
Washington, D.C. 20581

COMMENT

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2003 JUL 14 AM 11: 55

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Re: The Board of Trade of the City of Chicago Proposed Rule 701.01

Dear Ms. Webb:

Deutsche Bank Securities Inc (DBSI) welcomes the opportunity to comment to the Commodity Futures Trading Commission (the Commission) on the above-captioned rule proposal by The Board of Trade of the City of Chicago (CBOT).

DBSI is a futures commission merchant registered with the Commission, a clearing member of the CBOT and a Clearing Member of the Board of Trade Clearing Corporation. DBSI is a wholly-owned subsidiary of Deutsche Bank and is an active and highly capitalized participant in the U.S. futures markets with a large institutional client base.

We feel that the Commission should not approve CBOT's proposed Rule 701.01 as the proposed rule raises major legal issues and can create undesirable precedents which significantly impact the effective functioning of the futures markets. In particular, the proposed rule places unpredictable legal and regulatory obligations on each of CBOT's clearing members. Further it is possible that under certain circumstances the proposed rule may not be enforceable by the Exchange which may lead the CBOT to fail to comply with the Commodity Exchange Act.

CBOT's proposed Rule 701.01 provides that :

Transfer of Open Positions to Clearing Services Provider. -
Each clearing member shall comply in all respects with any statement of policy or other notice issued by the Exchange relating to the procedures and processes that must be followed to effectuate the transfer of open positions to any Clearing Services Provider.

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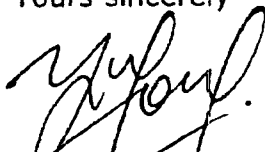
In the event that the CBOT issues a notice for the transfer of open positions which conflicts with a previously published statement of policy (or vice versa), each clearing member will then continuously be in breach of this proposed rule.

We feel that the indeterminate, and indeed unlimited, scope of the proposed rule will create public policy issues where the transfer of open positions is mandated by the CBOT and not at the election of the end user. The Rule will hamstring clearing members' and their clients' ability to determine the default risks associated with each open futures or option position as the ultimate Clearing Services Provider may change prior to the liquidation of the futures contract, whether by trading out of the open position, delivery, expiration, exercise or assignment. The rule also may cause systemic, market-wide problems if the Clearing Services Provider is not prepared to unexpectedly transfer the large numbers of positions at the direction of the CBOT. This is not a desirable state of affairs.

Additionally, the proposed rule does not restrict the CBOT to a specific occasion relating to a transfer of open positions, but rather permits the CBOT unlimited discretion to direct any number of transfers of open positions to any number of Clearing Services Providers. This could easily lead to unwarranted or insurmountable chaos for the users of the Exchange's futures and option contracts. If the CBOT's proposed rule stands unchanged, then other Contract Markets also may choose to follow CBOT's precedent in establishing similar rules for the transfer of their open positions, adding further uncertainty for market participants.

We thank the Commission for the opportunity to comment on CBOT's proposed rule 701.01. We strongly urge the Commission not to approve the proposed rule.

Yours sincerely



Yew-Meng Fong
Managing Director
Global Exchange Services