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WASHINGTON, DC 20510-1605

June 17, 1998

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COMMENT

Ms. Brooksley Born
Commissioner
Commodity Futures Trading Commission
1155 21st Street NW
Washington,

Dear Ms. Born:

I understand the Commodity Futures Trading Commission (CFTC) recently received an application to approve a new futures exchange. The application was filed by entities affiliated with Cantor Fitzgerald L.P. and the New York Cotton Exchange. I also understand similar applications are being contemplated by others.

As you know, financial and commodity markets are undergoing major and rapid changes driven both by economics and by technology. As a result, new questions have arisen regarding the scope and adequacy of federal legislation and regulation in a changing environment. For example, questions have been raised regarding both the Commodity Exchange Act's role in regulating "proprietary" exchanges and the extent to which these efforts would establish a "proprietary" exchange.

As the CFTC considers these new regulatory questions, I would appreciate your thoughts and advice regarding changes that may be needed or contemplated to meet these new challenges. The goal of federal regulation should be to allow flexibility and innovation while ensuring a high degree of public confidence in financial markets.

I appreciate your attention to these important issues.

With every best wish,

Sincerely,



Pat Roberts

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