

PAUL D. COVERDELL
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COMMODITY FUTURES
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United States Senate

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COMMENT

July 10, 1998

COMMODITY FUTURES
TRADING COMMISSION
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Ms. Brooksley Born
Chairperson
United States Futures Trading Commission
3 Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Dear Ms. Born:

It has recently come to my attention that the Commodities Futures Trading Commission is currently considering an application from a partnership between the New York Cotton Exchange and Cantor Fitzgerald to establish a domestic electronic futures exchange. The new proposal is called the Cantor Financial Futures Exchange.

I have been apprised of the issues related to this matter such as the emergence of electronic commerce and the obvious benefits this may bring to American farmers, consumers and businesses. I recognize also that there are concerns with moving to an electronic option for certain financial products. Obviously, such a change does not occur without effects on the current proprietors of this system. These need to be evaluated. Of greatest concern to me, however, is the assertion that the United States may lose business, possibly permanently, to Europe without access to this electronic market.

I know you are evaluating the application with great scrutiny. With this in mind, I hope that you will give fair and appropriate consideration to this proposal and act promptly in making your decision.

Sincerely,



Paul D. Coverdell
United States Senator