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Board of Trade of the City of New York, Inc.

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COMMODITY FUTURES
TRADING COMMISSION
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Jean A. Webb
Secretary of the Commission
Commodity Futures Trading Commission
1155 21st Street, N.W.
Washington, D.C. 20581

COMMENT

Re: Foreign Board of Trade Terminals

Dear Ms. Webb:

The Board of Trade of the City of New York, Inc. (the "NYBOT") submits this letter in response to the Concept Release on the Placement of a Foreign Board of Trade's Computer Terminals in the United States (the "Concept Release"), appearing in the Federal Register of July 24, 1998.

Because of the active competition from foreign futures markets, all U.S. exchanges stand to be affected by the placing of foreign exchange computer terminals in the United States. Therefore, as the holding company for the Coffee, Sugar & Cocoa Exchange and New York Cotton Exchange, the NYBOT has a profound interest in the subject matter of the Concept Release. In addition, the NYBOT is uniquely affected in that its affiliate, the Cantor Financial Futures Exchange, is the only fully-computerized U.S. exchange that is designated as a contract market.

It is not feasible for us to respond point-by-point to all of the questions raised in the Concept Release. If the Commission decides to propose rules in this area, we would expect to submit comments on those proposed rules in appropriate detail at that time.

At this point, we respectfully urge the Commission, in developing any such proposed rules, to be guided by the following basic principles:

1. The proposed rules should establish a level playing field as between U.S. exchanges and their foreign competitors, so that foreign exchanges may not place their terminals in the U.S. and unfairly compete for U.S. customers under relaxed regulatory requirements that make trading on those exchanges less burdensome than on U.S. exchanges.
2. The proposed rules should not impose undue burdens on foreign exchanges, thereby inviting retaliatory burdens by foreign regulators on U.S. exchanges seeking to place their

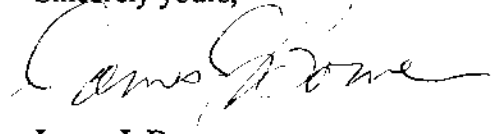
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terminals abroad in order to compete for foreign customers.

3. The proposed rules should seek to assure that any accommodations extended to foreign exchanges should be met by reciprocal accommodations in their home countries for U.S. exchanges placing their terminals in those countries.

We would be pleased to work with the Commissioners and the Commission staff in developing any proposed rules, and we would be pleased to answer any questions they might have in that connection.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "James J. Bowe".

James J. Bowe
President

JJB/dp
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