

Celtic Brokerage Inc.

*Futures Commission Merchants
141 West Jackson Blvd., Suite 1530
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December 17, 2003

Jean A. Webb
Secretary to the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

BY E-MAIL

SUBJECT: U.S. Futures Exchange, L.L.C.

Dear Ms. Webb:

The CFTC is publicly mandated to protect futures market participants from manipulation, abusive trade practices, and fraud. The agency should also be interested in fostering fair, transparent, and efficient price discovery mechanisms in futures contracts and the exchanges they are traded on.

The highest standards of integrity need to be applied to regulating Financial instruments on our Nation's debt and futures on the production of our food supply. The application of U.S. Futures Exchange, L.L.C. is problematic on many fronts. Their plans for allowing "off-market" crossing of orders, and internalization of orders (allowing brokers to make "call around" deals without exposing customer orders to the marketplace, or even taking the other side of the customer's order themselves) will never be in the best interests of the customer and should never be allowed on a U.S. exchange. How could the CFTC possibly monitor these practices to ensure customers they got a fair price and were not subject to manipulation shaded toward favored customers such as happened in the mutual fund scandal? Allowing back room dealing is a step backwards. The customer is best served by a centralized marketplace that is transparent (available to all participants at the same time; in real time), with instantaneous price dissemination and audit trail integrity. The application of U.S. Futures Exchange, L.L.C. is rife with plans that set up conflicts of interest between market participants, and provide opportunity for compromise of broker's fiduciary responsibilities.

The application of U.S. Futures Exchange, L.L.C does not meet a high standard of protection of market participants and marketplace integrity.

Respectfully submitted,
John F. McKerr
President, Celtic Brokerage, Inc.