

February 3, 2004

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

Attn: Ms. Jean Webb, Secretary

Ladies and Gentlemen,

I realize that the deadline for public comment may have passed, however, I spent some time today on your web site reviewing most of the comments that have been submitted relating to the Eurex application. After reading those comments and reflecting on reports and statements I have read in the press, I felt compelled to write and express a couple of my observations and concerns.

I am not presently involved in commerce (trading or brokerage) at any Exchange and I have never been affiliated with the Chicago Board of Trade. But I do have a lot of experience within the industry.

I have read press reports, statements from officials, and numerous opinions in the public commentaries on your web site regarding Eurex bringing needed competition to the marketplace. But I do not agree with that assessment. In my view, any Exchange that enters the market with a strategy that consists of taking away business and activity from another platform is actually doing a disservice to the general market. As you know, all markets are best served where and when there is liquidity. But Eurex is planning to take volume away from the Chicago Board of Trade by using incentives. That does not bring more activity and liquidity--it dilutes and divides it. Until now, I have never heard of anyone complaining that liquidity is a problem in the bonds. It will be--I believe this could have an extremely negative impact on the market. Eurex says it will offer lower fees, etc., but the integrity of the market and the interests of the market users are best served with liquidity and price transparency. Those features are the ultimate protection--and benefit--for the customer.

Foreign competition can be a good thing. Especially in these days of globalization. However, we must be wary of a situation where a foreign entity can possibly threaten a domestic franchise when there may be no gain for the market. There are many Exchanges in the world and they all compete by providing what they consider to be the best products and services that they can provide to the marketplace. But, when an Exchange clearly has an objective to set up shop by taking away another Exchange's thriving product, we must be extremely careful to analyze the tactics and assess the motives, and then determine whether there are benefits for the marketplace and the market user. I read just last week in the press that Eurex is anxious to get started NOW so that they can get to work on transferring the open interest in the bonds to their Exchange during this upcoming roll-over. That may show the transparency of their plan, but that is not the type of transparency the marketplace needs.

What would happen if a foreign auto maker decided to enter the U.S. market and manufacture a car that looks just like a Cadillac, named it a Cadillac, and then offered price incentives and deals to get people to buy it instead of the GM Cadillac. That's not exactly a description of competition, as I know it. But that is analogous to what Eurex is apparently hoping to do.

Finally, you and I know that for many years there has been keen, fierce competition amongst all the Exchanges. The result of this is that a playing field has evolved where each Exchange and trading entity is trying its best to lower fees, provide the best

platform, encourage liquidity and transparency, introduce new products, etc. in order to compete. Eurex and its supporters act as though there hasn't been any competition here and that they will be the first to provide it. I find it noteworthy that the Exchanges all compete very vigorously already--with innovations for new markets rather than by "taking" someone's products.

I urge you to consider these points thoroughly before agreeing to allow Eurex to begin trading activity at this time.

Thank you for your time....and good luck with your deliberations.

Sincerely,

Stephen M. Levin
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