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secretary

From: Weaver, Jack [JWeaver@refco.com]
Sent: Friday, November 08, 2002 5:12 PM
To: 'secretary@cftc.gov'
Subject: Comment on Proposed Amendments to Live Cattle Futures Contract

11/8/02

Jean A. Webb
Secretary, Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

COMMENT

Received CFTC
Records Section

11/12/02

Dear Secretary Webb,

I would like to express my opposition to the proposed changes submitted by the Chicago Mercantile Exchange to the Live Cattle Futures contract. I have had a number of discussions with cattle market users on this issue, and from perusing the comments of others posted on the CFTC site, it is clear that there are strong and varied opinions on the performance or lack thereof of the cattle contract. I do not wish to spend time on proposed changes or enhancements to the contract (as so many others have) but wish to speak solely to the CME's proposal.

I respect the exchange's right to establish contract specifications and their efforts to protect the integrity of the marketplace, regardless of the perceived wisdom of their actions. While I think their proposal has the potential for distorting market activity, my primary disagreement with their proposal has more to do with the manner of implementation. Following are my two reasons for disagreement with the procedure related to the proposal:

1) It is wrong to change contract rules that could impact market action once a significant trade position has been established by market participants. This holds true whether the proposal would be to raise or lower position limits. The proposal should be limited in application to contracts yet to be traded or established.

2) Given that the proposal is to be applied to contracts already traded, the exchange took no steps to alert or inform the trading public, nor to gather input in an open fashion. A period of discussion concerning the changes prior to submission would have been much better. The exchange has a responsibility to all participants of their markets to disseminate information on a timely basis, so those using said markets for commercial or speculative activity can make appropriate decisions.

Thank you for the opportunity to submit my opinion. I look forward to a timely decision by the Commission on this matter.

Respectfully submitted,

Jack R. Weaver