

06-03

286

COMMENT

RECEIVED  
C.F.T.C.Received CFTC  
Records Section

07/18/06

**secretary**

**From:** Jerry L. Harper [seejlh@bellsouth.net]  
**Sent:** Monday, July 17, 2006 7:15 PM  
**To:** secretary  
**Subject:** Re: "COT Reports"

2006 JUL 18 PM 12: 01

OFC. OF THE SECRETARIAT

Ms. Donovan

I for one find the COT reports very useful. I am an active individual trader in the equities markets. While I understand that much of your concern applies to reporting as it relates to certain derivative transactions and that swap dealers involved here are generally involved with physical commodities, I found it disturbing that there would even be a thought of discontinuing this report.

One of the real values of the "information age" that we find ourselves in is the abundance of up-to-date real time information. Even though your report is published on a three day delayed basis it is one of the few things out there where small fish like me can see fairly up-to-date information that includes short interest. In the equities space the large brokerage houses that control virtually everything have managed to keep that kind of information as a private "carrot" reserved for their own appetites and are not required to reveal it until it is nearly useless to anyone else. In other words they have an advantage.....they jealously guard that advantage....and they have somehow managed to convince the SEC that this advantage is "in the best interests of a stable marketplace".

I read your request for comments in the Federal Register. I do not think that the body of that evidence indicates that discontinuing the COT Report is at the forefront of your thinking but.....believe me.....there is a great body of little fish like me out here that are absolutely horrified at the mere mention of the possibility. Please do not take from us one of the things that we consider valuable in our efforts.

And, by the way, a few thoughts. If one of the big deals here is the effect of non-traditional hedgers on the commercial positions, why not require anyone that makes a big bet behind that veil to report subject to the same reporting requirements they would be subject to under traditional methods. In other words, require anyone who takes any futures or options position that is above a certain threshold to report that position to the CFTC (or require the swap dealer to report the counterparty and the size). Include the position in your report as if taken through traditional means and still allow a hedging exemption for the swap dealer if necessary. Is it not true that a large fund could hide behind a swap dealer and thus avoid position limits and/or reporting requirements? Just some thoughts of mine.

Whatever route you choose in modifying or improving the COT Report I beg of you....please do not take it away from us.

Regards,

Jerry L. Harper

7/18/2006