

COMMENT

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April 30, 1999

Via Fax

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

Re: Proposed Rules Governing Access to Automated Boards of Trade

Dear Ms. Webb:

Merrill Lynch Futures, Inc. ("MLF") is grateful for the opportunity to comment on the Commodity Futures Trading Commission's (the "Commission") Proposed Rules Governing Access to the Automated Boards of Trade. MLF believes that promptly establishing clear and flexible standards that will foster technological evolution and allow automated access to electronic futures exchanges is the most important item on the Commission's agenda. We respect the Commissioners for their willingness to open the debate and hope that a reasonable and sensible business solution can be promptly achieved.

MLF believes that the proposal is flawed in several important respects. First, it allows the continuance of a moratorium on the placement of foreign exchange electronic trading terminals in the United States. This moratorium serves no regulatory purpose and should be promptly lifted to allow firms and their customers efficient access to foreign markets. Second, the proposal micro-manages the technology that a futures commission merchant may use to route orders to electronic futures exchanges. The proposed rules, if they were to become final, would place unnecessary inhibitions and specific limitations on the use of evolving technology. Finally, the proposal places unnecessary burdens on foreign exchanges that can be accessed electronically from the United States. Not only are the standards to allow such conduct too high and the information burden unnecessary, but they are of questionable jurisdictional authority.

The Futures Industry Association has submitted a comment letter that addresses each of MLF's concerns in greater detail than set forth herein. The FIA has also proposed an alternative interim rule that would relieve the current gridlock on system development. MLF joins in the FIA's comments and strongly urges the Commission to adopt the FIA's proposal.

Thank you for your consideration. If you have any questions, or would like to discuss this matter, please do not hesitate to contact the undersigned.

Respectfully submitted,

Ronald S. Oppenheimer

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