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August 21, 2000

COMMENT

Commodity Futures Trading Commission
Office of the Secretariat
Three Lafayette Centre
1125 21st Street, NW
Washington, DC 20581

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Dear Commissioners:

The National Cotton Council is pleased to concur with most of the comments submitted by a coalition of commodity, general farm and livestock organizations with reference to the proposed rule, "A New Regulatory Framework for Multilateral Transaction Execution Facilities, Intermediaries, and Clearing Organizations." The cotton industry is highly dependent on the price discovery function provided by the New York Cotton Exchange and supports a flexible regulatory framework which allows the Exchange to continue to provide a transparent reliable price discovery venue. We also believe, as stated by the other agriculture organizations, that electronic trading facilities will play an increasingly significant role in commodity markets. We urge the Commission to maintain effective oversight which ensures that electronic trading can expand in a responsible, effective manner.

We note that the farm organizations expressed concern about the one-day automatic approval for new contracts. We suggest that the Commission carefully review the implications of a 45-day expedited approval period for amendments and changes and the automatic approval for new contracts. If the Commission finds cause for concern, we urge the Commission to recommend further action in consultation with appropriate organizations representing producers, traders and exchanges.

Thank you for the opportunity to submit comments.

As always, thank you for your consideration.

Sincerely,

John Maguire
Vice President -- Washington Operations