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COMMENT

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OFFICE OF THE SECRETARIAT

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2000 West Sam Houston Parkway South  
Suite 900  
Houston, Texas 77042  
www.petrocosm.com

Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C 20581

Attention: Office of the Secretariat

Re: Regulatory Reinvention, Exemption for Bilateral Contracts and Clearing  
Organization Reinvention

Ladies and Gentlemen:

PetroCosm Corporation submits these comments in response to the Commodity Futures Trading Commission's rulemaking proposals. We operate a global business-to-business e-commerce marketplace for the oil and gas industry. Our Internet site is at [www.petrocosm.com](http://www.petrocosm.com).

We believe that Internet-based trading will result in more efficient markets if those markets are not stifled by unnecessary governmental interference. We believe that Internet-based trading among substantial commercial entities should not be regulated by the CFTC, and we urge that the proposed Exemption for Bilateral Transactions be modified to cover all contracts executed on trading platforms whose participants consist solely of (a) commercial entities that use the trading platforms to enter into contracts for goods or services or to obtain risk management services for purposes related to their businesses and (b) financial intermediaries that provide risk management services.

We also believe that there is no valid reason why the CFTC should regulate entities that perform physical clearing and bookkeeping functions (as opposed to financial clearing functions), and we urge the Commission to revise its rules relating to clearing organizations so that such activity is unregulated.

Sincerely,

Malachy W. Finnen  
Vice President and General Counsel

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