

**COMMENT**

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Ms. Brooksley Born, Chairperson  
Commodity Futures Trading Commission  
1155 - 21st Street, N.W.  
Washington, DC 20581

Dear Ms. Born,

I am writing to comment on the your concept release of January 1998, which would permit various forms of non-competitive futures trading, including off-floor negotiation and execution of futures trades.

As a regular user of the futures markets, I am strongly opposed to this proposal. One of the functions of a futures market is price discovery. This proposal would deprive market users of the price transparency that is necessary for efficient price discovery. All market users would not be on an equal footing. Price information would not be available to all market users. There would be greater opportunity for price manipulation and trades executed at prices not reflective of the market. All market participants would not have the opportunity to trade against a non-competitive transaction. The result would be a fragmented, two-tier market. This would take liquidity from the centralized markets to the detriment of all customers who use them.

I urge the Commission to reject any proposals which would allow non-competitive trading. Centralized markets give all market users an equal access to price information and equal opportunity to trade. This will result in the most efficient market.

Thank you.

Yours truly,



Paul Schnepf  
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