

**BEAR STEARNS**

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COMMIT  
**COMMENT**

99-11  
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RONALD M. HERSCH  
SENIOR MANAGING DIRECTOR

BEAR, STEARNS & CO. INC.  
245 PARK AVENUE  
NEW YORK, NEW YORK 10167  
(212) 272-9866

April 28, 1999

Ms. Jean A. Webb  
Secretary of the Commission  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, DC 20581

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Re: Proposed Rules Governing Access to Automated Boards of Trade

Dear Ms. Webb:

Bear, Stearns & Co. Inc., respectfully submits this comment letter in response to the Commodity Futures Trading Commission's (CFTC) request for comment on its Proposed Rules Governing Access to Automated Boards of Trade (Proposed Rules).

Bear, Stearns & Co. Inc., is a leading investment banking and securities trading and brokerage firm serving governments, corporations, institutions and individuals worldwide. The company's business includes corporate finance and mergers and acquisitions, institutional equities and fixed income sales and trading, private client services, derivatives, foreign exchange and futures sales and trading, asset management and custody services. Through Bear Stearns Securities Corp., it offers professional and correspondent clearing, including securities lending. Headquartered in New York City, the company has approximately 9,600 employees.

1. We respectfully oppose adoption of proposed rule 30.11. We seriously question the CFTC's jurisdictional authority in proceeding under section 4 (c) of the CEA.
2. We respectfully oppose adoption of proposed rule 1.71 because such rules substantially reiterate provisions of existing rules 1.31 and 1.35 as well as common sense principals that are already implicit in many other provisions of the CEA and the CFTC's rules.
3. We endorse the alternative proposals submitted to the CFTC by the Futures Industry Association (FIA) on April 19, 1999 and April 20, 1999. We urge the CFTC to act swiftly to adopt the FIA proposals.


Ms. Jean A. Webb

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We appreciate the opportunity to comment on the CFTC's proposed rules. If you have any questions, please contact me at (212) 272-9866.

Very truly yours,

A handwritten signature in black ink, appearing to read "Ronald M. Hersch". The signature is written in a cursive, flowing style with a large initial "R".

Ronald M. Hersch

RMH/mtk

cc: The Honorable Brooksley E. Born  
The Honorable Barbara P. Holum  
The Honorable David D. Spears  
The Honorable James E. Newsome  
I. Michael Greenberger  
Daniel R. Waldman  
Geoffrey Aronow