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February 11, 2011

David A. Stawick, Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, NW
Washington, DC 20581

Re: Core Principles and Other Requirements for Designated Contract Markets; RIN 3038-AD01 – DCO Board Composition Requirements

Dear Secretary Stawick:

ELX Futures, L.P. (“ELX”) is pleased to submit these comments to the Commodity Futures Trading Commission (the “CFTC” or the “Commission”) with respect to the above-referenced proposed rulemaking (the “Proposal”) concerning Requirements for Derivatives Clearing Organizations, Designated Contract Markets, and Swap Execution Facilities Regarding the Mitigation of Conflicts of Interest, 75 Fed. Reg. 63732 (Oct. 18, 2010).

ELX became a Designated Contract Market (“DCM”) on May 22, 2009, and started trading operations on July 10, 2009, initially offering trading in U.S. Treasury futures contracts, and since June 18, 2010 in Eurodollar futures contracts as well. ELX is one of several newer DCMs that does not own or control a clearinghouse (DCO) and must have an independent DCO to clear our trades in order to compete. As a recently formed exchange, and one competing directly with the dominant CME Group, ELX is concerned that the proposed board composition standards will adversely affect ELX by making open access, third party clearinghouses (DCOs) reluctant to offer these necessary services to independent DCMs like ELX.

Existing clearing organizations which achieve DCO status and enter the U.S. futures industry to provide services to unaffiliated exchanges are critical to providing for competition and innovation in the futures industry. Organizations that grew up under one regulatory regime, but wish to provide open access clearing services need to be encouraged to become and remain DCOs. Exchanges that are tightly linked to closed DCOs, on the other hand, should be more closely regulated for conflicts because of their choice to remain fully or partially closed. Organizations that do not have close ties to a single exchange, in our view, do not pose the risk of conflicts that are the central concern

Wolkoff Letter for ELX Futures, L.P.

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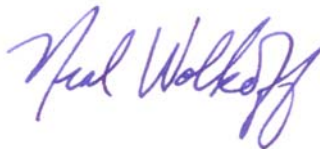
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of the proposed rulemaking. Instead, choosing to become an open access utility – the models that immediately come to mind are the OCC and the LCH – means that the DCO does not likely have an anticompetitive motivation in its chosen actions to leverage clearing services for an advantage in execution services. In order to maintain credibility, as an open access market, such a DCO is motivated naturally to be commercial, fair and responsive to its exchange clients and the marketplace. ELX clears with the OCC, and in our 18 months of live operations we feel we have seen the proof of our assertion on a daily basis.

We note that the provisions relating to a DCO's ownership composition contains a provision for a waiver. However, the provisions pertaining to board composition requirements have no such waiver provision, and we believe strongly that at a minimum the two provisions be made consistent to each other and provide for a waiver from the regulatory requirements. Open access DCOs should be given strong consideration in the waiver process to avoid unnecessary intrusions into their governance structure, which is already well-regulated.

I am ready to answer any questions.

Best regards,

A handwritten signature in blue ink that reads "Neal Wolkoff". The signature is written in a cursive, flowing style.