



March 31, 2011

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

Via Online Submission

SUBJECT: Recommendations on Pre-Trade Practices for Trading Firms, Clearing Firms and Exchanges involved in Direct Market Access

Dear Mr. Secretary:

The Minneapolis Grain Exchange, Inc. ("MGEX" or "Exchange") would like to thank the Commodity Futures Trading Commission ("CFTC" or "Commission") for this opportunity to respond to the Commission's request for comment on the above referenced matter published on March 1, 2011.

MGEX is both a Designated Contract Market ("DCM") and Derivatives Clearing Organization ("DCO"). MGEX appreciates the efforts of the Pre-Trade Functionality Subcommittee ("PFS") and the Technology Advisory Committee ("TAC") regarding the pre-trade practices recommendation to the Commission.

Overall, the Exchange believes the PFS and the TAC put forth a well thought out proposal. MGEX agrees that adequate pre-trade practices require a multilevel approach beginning with the trading firms, moving to the clearing members and finally, the exchanges. As the recommendation also points out, one key element is avoiding placing DCMs at a disadvantage compared to Swap Execution Facilities ("SEF"). The Exchange strongly believes SEFs should be held to identical standards as DCMs to ensure level playing fields and fair competition as well as prevent regulatory arbitrage. Further, the Exchange supports the concept of requiring those with direct market access to come to the exchanges with documentation that demonstrates their ability to meet the exchange requirements as it will improve pre-trade risk management capabilities and spread the cost of such programs throughout the marketplace rather than placing the cost solely on the exchanges. Therefore, MGEX generally supports the pre-trade practices recommendation letter to the Commission.

Conclusion

The Exchange thanks the Commission for the opportunity to comment on the Recommendations on Pre-Trade Practices for Trading Firms, Clearing Firms and Exchanges involved in Direct Market Access. If there are any questions regarding these comments, please contact me at (612) 321-7169 or lcarlson@mgex.com. Thank you for your attention to this matter.

Regards,

A handwritten signature in cursive script that reads "Layne G. Carlson". The signature is written in black ink and is positioned to the right of the typed name.

Layne G. Carlson
Corporate Secretary

cc: Mark G. Bagan, CEO, MGEX
Jesse Marie Bartz, Assistant Corporate Secretary, MGEX
Eric J. Delain, Legal Advisor, MGEX
James D. Facente, Director, Market Operations, Clearing & IT, MGEX