

September 24, 2002, and to prohibit entry by or on behalf of Stone Manufacturing, Inc. under the Program of products manufactured from fabric exported from the United States during that period.

Requirements for participation in the Special Access Program are available in **Federal Register** notice 63 FR 16474, published on April 3, 1998.

Richard B. Steinkamp,

Acting Chairman, Committee for the Implementation of Textile Agreements.

Committee for the Implementation of Textile Agreements

September 21, 2000.

*Commissioner of Customs,
Department of the Treasury, Washington, DC
20229.*

Dear Commissioner: The purpose of this directive is to notify you that the Committee for the Implementation of Textile Agreements has suspended Stone Manufacturing, Inc. from participation in the Special Access Program for the period September 25, 2000 through September 24, 2002. You are therefore directed to prohibit entry of products under the Special Access Program by or on behalf of Stone Manufacturing, Inc. during the period September 25, 2000 through September 24, 2002. You are further directed to prohibit entry of products under the Special Access Program by or on behalf of Stone Manufacturing, Inc. manufactured from fabric exported from the United States during the period September 25, 2000 through September 24, 2002.

Sincerely,
Richard B. Steinkamp,
*Acting Chairman, Committee for the
Implementation of Textile Agreements.*

[FR Doc.00-24829 Filed 9-26-00; 8:45 am]

BILLING CODE 3510-DR-F

**COMMODITY FUTURES TRADING
COMMISSION**

**Chicago Board of Trade's Proposal To
Adopt Block Trading Procedures**

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice of proposed new Chicago Board of Trade Regulation 331.05 to establish block trading procedures and request for comment.

SUMMARY: The Chicago Board of Trade ("CBOT" or "Exchange"), has submitted to the Commodity Futures Trading Commission ("Commission") proposed new Regulation 331.05 that would establish block trading procedures at the Exchange. Under these procedures, eligible participants would be allowed to negotiate and arrange futures transactions of a minimum size bilaterally away from the centralized, competitive market. Once the specific

terms of the block transaction have been agreed to, the counterparties would report the relevant details of the transaction to the Exchange for clearing and settlement. CBOT is seeking to allow block trading in those contract which the Exchange initially launches for trading on or after December 31, 1999. CBOT's proposal would establish block trading procedures which in large part resemble block trading procedures which the Commission has approved for the Cantor Financial Futures Exchange and Chicago Mercantile Exchange.

Acting pursuant to the authority delegated by Commission Regulation 140.96(b), the Division of Trading and Markets ("Division") has determined to publish CBOT's proposal for public comment. The Division believes that publication of the proposal is in the public interest and will assist the Commission in considering the views of interested persons.

DATES: Comments must be received on or before October 12, 2000.

ADDRESSES: Comments should be submitted to Jean A. Webb, Secretary, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW., Washington, DC 20581. Comments also may be sent by facsimile to (202) 418-5221 or by electronic mail to secretary@cftc.gov. Reference should be made to the "Chicago Board of Trade's Proposal to Adopt Block Trading Procedures."

FOR FURTHER INFORMATION CONTACT: Nicholas C. Milano, Attorney, Division of Trading and Markets, Commodity Futures Trading Commission, Three Lafayette Centre, 1155, 21 Street, NW., Washington, DC 20581. Telephone: (202) 418-5361.

SUPPLEMENTARY INFORMATION:

I. Background

On June 4, 1999, the Commodity Futures Trading Commission issued an Advisory on Alternate Execution, or Block Trading, Procedures for the Futures Industry.¹ Through this Advisory, the Commission announced its intention to consider market proposals to adopt alternative execution, or block trading, procedures

¹ 64 FR 31195 (June 10, 1999); 64 FR 34851 (corrections) (June 29, 1999). The Commission first raised the subject of alternative execution, or block trading, procedures in its Concept Release on the Regulation of Noncompetitive Transaction Executed on or Subject to the Rules of a Contract Market. 63 FR 3708 (January 26, 1998). Through the Concept Release, the Commission wished to explore whether certain alternative execution procedures for large size or other types of orders could be developed to satisfy the needs of market participants while furthering the policies and purposes of the Commodity Exchange Act ("Act") and the Commission's Regulations.

for large size or other types of orders on a case-by-case basis under a flexible approach to the requirements of the Act and the Commission's regulations. Under this approach, each contract market retains the discretion to permit alternative execution procedures and has the ability to develop procedures that reflect the particular characteristics and needs of its individual markets and market participants. Since that advisory, the Commission has approved block trading procedures at two contract markets—the Cantor Financial Futures Exchange on February 11, 2000 and the Chicago Mercantile Exchange on May 19, 2000.

By letter dated August 31, 2000, CBOT submitted proposed Regulation 331.05 to the Commission pursuant to section 5a(a)(12)(A) of the Act and Commission Regulation 1.41(c).² Proposed Regulation 331.05 would establish block trading procedures at the Exchange whereby qualified market participants would be allowed to negotiate and arrange futures transactions of a minimum size bilaterally away from the centralized, competitive market. Once the specific terms of the block transaction had been agreed to, the counterparties would report the relevant details of the transaction to the Exchange for clearing and settlement. Thus, under the proposed procedures, certain futures transactions could be executed noncompetitively rather than through the Exchange's open outcry trading platform or its CBOT/Eurex electronic trading system.

**II. Description of CBOT's Proposed
Block Trading Procedures**

*A. Eligible Contracts and Market
Participants*

Under the proposed procedures, CBOT would limit the eligibility for block trading to those contracts that the Exchange initially launches for trading on or after December 31, 1999.³ CBOT's proposal would restrict block trading to those market participants that qualified as an "eligible participant" as that term is defined by Commission Regulation 36.1(c)(2). In connection with block trade transactions entered into by a commodity trading advisor ("CTA") on behalf of its customers, and provided

² See Letter from Mr. Paul J. Draths, Vice President and Secretary, Chicago Board of Trade to Ms. Jean A. Webb, Secretary, Commodity Futures Trading Commission, dated August 31, 2000.

³ CBOT's proposal does not include the implementation of block trading or minimum size requirements for any particular contract. The Exchange represented that an initial contract designation has yet to be determined and, as such, would be submitted separately to the Commission.

that certain registration and financial conditions are satisfied, the CTA (and not its underlying customers) would be responsible for meeting the eligibility requirements described above.

Accordingly, a CTA would be able to enter into such transactions on behalf of a customer without its customer having to qualify as an "eligible participant" under Commission Regulation 36.1 or without specifically authorizing the use of the block trading procedures.⁴

B. Size and Price Requirements

Under proposed Regulation 331.05, each buy or sell order underlying a block trade must satisfy the applicable minimum size requirements as to be determined by the CBOT Board of Directors, case-by-case, for each particular contract eligible for block trading.⁵ The Exchange's proposed procedures require that the price of a block trade be "fair and reasonable" in light of: (1) The size of such block trade; (2) the price and size of other trades in the same contract at the relevant time; and (3) the price and size of trades in other relevant markets, including without limitation the underlying cash market or other related futures markets, at the relevant time. Moreover, the price at which a block trade was executed would not affect conditional orders and would not be used to establish settlement prices.

C. Transparency

Each block trade executed in accordance with CBOT's proposed block trading procedures must be cleared through clearing members of the Exchange. Information identifying the relevant contract, contract month, price, quantity, time of execution and counterparty clearing member for each block trade must be reported to the Exchange within five minutes immediately following its execution. For each block trade transaction, the Exchange would publish information that would identify the trade as such and would identify the relevant contract, contract month, price, and

⁴ The CTA must be registered under Act (including without limitation any investment advisor registered as such with the Securities and Exchange Commission ("SEC") that is exempt from regulation under the Act or the Commission's regulations) and have total assets under management exceeding \$50 million.

⁵ Generally, under CBOT's proposed block trading procedures, orders from different accounts could not be aggregated to satisfy the minimum size requirement. However, a CTA who was permitted to execute block trades on behalf of customers under CBOT Regulation 331.05 would be permitted to aggregate orders from different accounts to satisfy the minimum size requirement.

quantity.⁶ CBOT would disseminate such information immediately after the block trade had been reported to the Exchange.

III. Request for Comment

The Commission requests comment from interested persons concerning any aspect of CBOT's proposed block trading procedures.

Copies of CBOT's proposed new Regulation 331.05 and related materials are available for inspection at the Office of the Secretariat, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW., Washington, DC 20581. Copies also may be obtained through the Office of the Secretariat at the above address or by telephoning (202) 418-5100.

Issued in Washington, DC, on September 20, 2000.

Alan L. Seifert,

Deputy Director.

[FR Doc. 00-24825 Filed 9-26-00; 8:45 am]

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COMMODITY FUTURES TRADING COMMISSION

Sunshine Act Meeting

AGENCY HOLDING THE MEETING:

Commodity Futures Trading Commission.

TIME AND DATE: 11:00 a.m., Friday, October 6, 2000.

PLACE: 1155 21st, NW., Washington, DC, 9th Floor Conference Room.

STATUS: Closed.

MATTERS TO BE CONSIDERED: Surveillance Matters.

CONTACT PERSON FOR MORE INFORMATION:

Jean A. Webb, 202-418-5100.

Jean A. Webb,

Secretary of the Commission.

[FR Doc. 00-24871 Filed 9-22-00; 4:45 pm]

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COMMODITY FUTURES TRADING COMMISSION

Sunshine Act Meeting

AGENCY HOLDING THE MEETING:

Commodity Futures Trading Commission.

⁶ In addition, each member and clearing member that was a party to a block trade must record the following information on its order ticket: that the trade was a block trade; the contract (including the delivery or expiry month) to which the block trade relates; the number of contracts traded; the execution price and time; identity of the counterparty; and, if applicable, details regarding the customer for which the block trade was executed.

TIME AND DATE: 11:00 a.m., Friday, October 13, 2000.

STATUS: Closed.

MATTERS TO BE CONSIDERED: Surveillance Matters.

CONTACT PERSON FOR MORE INFORMATION:

Jean A. Webb, 202-418-5100.

Jean A. Webb,

Secretary of the Commission.

[FR Doc. 00-24872 Filed 9-33-00; 4:45 pm]

BILLING CODE 6351-01-M

COMMODITY FUTURES TRADING COMMISSION

Sunshine Act Meeting

AGENCY HOLDING THE MEETING:

Commodity Futures Trading Commission.

TIME AND DATE: 11 a.m., Friday, October 20, 2000.

PLACE: 1155 21st, NW., Washington, DC, 9th Floor Conference Room.

STATUS: Closed.

MATTERS TO BE CONSIDERED: Surveillance Matters.

CONTACT PERSON FOR MORE INFORMATION:

Jean A. Webb, 202-418-5100.

Jean A. Webb,

Secretary of the Commission.

[FR Doc. 00-24873 Filed 9-22-00; 4:45 pm]

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COMMODITY FUTURES TRADING COMMISSION

Sunshine Act Meeting

AGENCY HOLDING THE MEETING:

Commodity Futures Trading Commission.

TIME AND DATE: 11:00 a.m., Friday, October 27, 2000.

PLACE: 1155 21st, NW., Washington, DC, 9th Floor Conference Room.

STATUS: Closed.

MATTERS TO BE CONSIDERED: Surveillance Matters.

CONTACT PERSON FOR MORE INFORMATION:

Jean A. Webb, 202-418-5100.

Jean A. Webb,

Secretary of the Commission.

[FR Doc. 00-24874 Filed 9-22-00; 4:45 pm]

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