

U.S. COMMODITY FUTURES TRADING COMMISSION

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01-06
NC 2

May 22, 2001

Ms. Jill S. Fassler
Vice President and Associate General Counsel
New York Cotton Exchange
Four World Trade Center
New York, New York 10048

Re: Proposed amendments to New York Cotton Exchange cotton no. 2 futures.

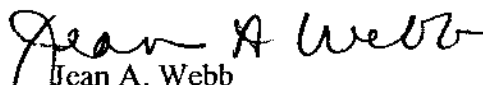
Dear Ms. Fassler:

The New York Cotton Exchange (NYCE or Exchange) by a letter dated February 21, 2001, submitted the subject proposed amendments for Commission approval. The proposed amendments were submitted pursuant to Section 5c(c)(2) of the Commodity Exchange Act (Act).

The proposed amendments will: (1) increase the minimum strength requirement to 25 grams per tex; (2) establish "old crop" price differentials; (3) clarify the definition of a "warehouse bale tag coupon;" and (4) if at some future date the United States Department of Agriculture in its discretion shall commence quoting price differentials for cotton having a micronaire level of 4.8 or 4.9, will allow for corresponding price differentials for such cotton under the futures contract. The Exchange intends to implement the proposed amendments upon Commission approval for all existing cotton no. 2 futures contract months that have no open interest at the time of approval and for all newly listed futures contract months.

Section 5c(c)(3) of the Act specifies that the Commission must approve rules proposed by an exchange if such rules are determined by the Commission not to be in violation of the Act or the regulations of the Commission. Accordingly, the Commission hereby approves the subject proposed amendments and implementation plan.

Sincerely,


Jean A. Webb
Secretary of the Commission

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