

39 of the Federal Aviation Regulations (14 CFR part 39) as follows:

### PART 39—AIRWORTHINESS DIRECTIVES

1. The authority citation for part 39 continues to read as follows:

**Authority:** 49 U.S.C. 106(g), 40113, 44701.

#### § 39.13 [Amended]

2. Section 39.13 is amended by adding the following new airworthiness directive:

#### British Aerospace Regional Aircraft

[Formerly Jetstream Aircraft Limited; British Aerospace (Commercial Aircraft) Limited]; Docket 99-NM-115-AD.

**Applicability:** All Jetstream Model 4101 airplanes, certificated in any category.

**Note 1:** This AD applies to each airplane identified in the preceding applicability provision, regardless of whether it has been modified, altered, or repaired in the area subject to the requirements of this AD. For airplanes that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must request approval for an alternative method of compliance in accordance with paragraph (b) of this AD. The request should include an assessment of the effect of the modification, alteration, or repair on the unsafe condition addressed by this AD; and, if the unsafe condition has not been eliminated, the request should include specific proposed actions to address it.

**Compliance:** Required as indicated, unless accomplished previously.

To prevent electrical arcing due to damaged fuel standby pump cable assemblies and conduit pipes, which could create a possible ignition source, and consequent fire hazard, accomplish the following:

#### Corrective Actions

(a) Within 6 months after the effective date of this AD, accomplish the following actions required by paragraphs (a)(1) and (a)(2) of this AD in accordance with Jetstream Service Bulletin J41-28-010, dated April 5, 1999.

(1) Perform a one-time visual inspection of the conduit pipe (left and right), which carries the fuel standby pump cable assembly into the dry bay of the wing, for distortion (i.e., damage) or repairs. If any distortion or repair is found, prior to further flight, replace the conduit pipe with a new pipe, part number 14128032-403 (left) or part number 14128032-405 (right).

(2) Replace fuel standby pump cable assemblies (left and right) with new cable assemblies, part number F5-71-1.

#### Alternative Methods of Compliance

(b) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, International Branch, ANM-116, FAA, Transport Airplane Directorate. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then

send it to the Manager, International Branch, ANM-116.

**Note 2:** Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the International Branch, ANM-116.

#### Special Flight Permits

(c) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the airplane to a location where the requirements of this AD can be accomplished.

**Note 3:** The subject of this AD is addressed in British airworthiness directive 005-04-99. Issued in Renton, Washington, on July 9, 1999.

#### D.L. Riggin,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.  
[FR Doc. 99-18104 Filed 7-14-99; 8:45 am]

BILLING CODE 4910-13-P

## COMMODITY FUTURES TRADING COMMISSION

### 17 CFR Part 1

#### Contract Market Rule Review Procedures

**AGENCY:** Commodity Futures Trading Commission.

**ACTION:** Proposed rulemaking.

**SUMMARY:** The Commodity Futures Trading Commission (Commission) is proposing automatically to approve certain exchange rule amendments upon adoption and to require their subsequent submission to the Commission in a single summary filing, rather than individually as currently mandated. In addition, the Commission is proposing to reorganize in a clearer and more accessible format its rules on expedited approval procedures of proposed exchange rule amendments. The proposed comprehensive reorganization of these rules is intended to further the Commission's overall regulatory reform program by reducing unnecessary regulatory burdens and costs on United States exchanges associated with the Commission's review and approval of proposed exchange rules and rule amendments while maintaining the basic public protections of the Commodity Exchange Act.

**DATES:** Comments must be received August 16, 1999.

**ADDRESSES:** Comments should be mailed to the Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581. Office of the

Secretariat; transmitted by facsimile at (202) 418-5521; or transmitted electronically at [secretary@cftc.gov].

**FOR FURTHER INFORMATION CONTACT:** Richard H. Shilts, Director, Market Analysis Section or Kimberly A. Browning, Attorney/Advisor, Division of Economic Analysis, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581. Telephone (202) 418-5260. E-mail: [RShilts@cftc.gov] or [KBrowning@cftc.gov].

#### SUPPLEMENTARY INFORMATION:

##### I. Background

Over the years the Commission has updated and streamlined its procedures for reviewing proposed exchange rules. Section 5a(a)(12) of the Commodity Exchange Act (Act), 7 U.S.C. 7a(a)(12), provides that all rules of a contract market<sup>1</sup> which relate to a futures contract's terms and conditions must be submitted to the Commission for prior approval.<sup>2</sup> This requirement is premised on considerable regulatory experience indicating that Commission review and approval of proposed exchange rules before their implementation, among other things, is the preferred way to minimize the possibility of market manipulation or distortions due to improperly designed contract terms. Moreover, the proposed amendment of an existing futures contract potentially may affect adversely traders, producers or commercials. Commission pre-approval review of such changes enables those persons or entities to have their views considered.

The Commission, while preserving the important public protections of prior review, has aggressively sought to reduce unnecessary cost and regulatory burdens associated with this requirement. For example, the Commission has long established an expedited review and automatic approval of proposed exchange rule amendments falling within a number of categories. In addition, since 1997, the Commission has carried out a far-

<sup>1</sup> Commission Rule 1.41(a)(1) defines "rule" of a contract market as follows: Any constitutional provision, article of incorporation, bylaw, rule regulation, resolution, interpretation, stated policy, or instrument corresponding thereto, in whatever form adopted, and any amendment or addition thereto or repeal thereof, made or issued by a contract market, or by the governing board thereof or any committee thereof.

<sup>2</sup> Section 5a(a)(12) further requires that contract markets submit all other rules to the Commission except those relating to setting of margins or that the Commission may specify by rule. Such other rules may be made effective ten days after Commission receipt unless, within the ten-day period, the exchange requests Commission approval of the Commission notifies the exchange that it intends to review the rules for approval.

reaching program of regulatory reform. As part of that on-going program, the Commission established fast track procedures<sup>3</sup> for Commission review and approval of applications for new contracts and for proposed exchange rules and rule amendments not eligible for expedited review. These initiatives have modernized and streamlined the Commission's review processes, reducing unnecessary burdens and their associated costs to United States exchanges.

Together, the expedited review, automatic approval and fast track procedures have been uniquely effective in reducing the time for Commission review and approval of proposed exchange rules and rule amendments. In fiscal year 1998, the Commission processed 290 changes to contract terms and conditions, of which 152 were processed under expedited procedures. Of the 152, 47 were treated as approved upon exchange adoption and 105 were approved on an expedited basis within 10 days after receipt. Of the remaining 138 that the Commission approved under non-expedited procedures, seven were approved under the fast track procedure. Of the 131 that were approved under regular review procedures, 36 were approved in 10 days or fewer, 101 were approved in 30 days or fewer and all but nine were approved within 60 days.<sup>4</sup>

In keeping with this record, the Commission continues to innovate in finding additional ways further to reduce unnecessary burden on United States exchange, and is proposing herein to expand the types of exchange rules and rule amendments that it approves automatically upon exchange adoption, to streamline dramatically the required filing notice of those rule amendments with the Commission, to add a new three-day expedited review procedure and to expand the types of proposed contract terms and conditions which are eligible for such expedited rule approval.

<sup>3</sup> See, Commission Rules 5.1 and 1.41(b). 62 FR 10434 (March 7, 1997).

<sup>4</sup> In addition, the Commission adopted fast track review procedures for new contract designation applications. Since June 1997, the Commission has approved a total of 70 contracts under fast track procedures, 36 under the 10-day procedure and 34 under its 45-day procedure. Forty-two additional contracts were approved under non-fast-track review procedures.

Most recently, the Commission revised the rules governing the designation application itself, replacing over five pages of rules with three, user-friendly application forms that make extensive use of checklists and charts. (See, 64 FR 29217 June 1, 1999).

## II. The Proposed Amendments

### A. Rule 1.41(b)

Based upon its experience in administering the current review procedures, the Commission is proposing to expand the categories of rules eligible for automatic approval in proposed new Rule 1.41(b)(5). Exchange rule amendments eligible for approval upon their adoption include routine changes to an index, other than a stock index, used as the settlement of a futures contract compiled by a third party, typographical, renumbering and other types of non-material changes, trading hours and trading months, and discretionary option strike prices. The routine changes to an index eligible for this treatment are those types of changes that are frequent and anticipated to be needed in order to maintain the continuity and integrity of a pricing algorithm or formula which has been defined in the contract's terms. It does not include non-routine or unanticipated changes to the basic construction of an index as defined in the contract, for example, by changing the geographic pricing point of an agricultural index. The listing of trading months are not eligible for this treatment if the trading month cycle has been interrupted by the delisting of a contract, unless the listing of relisting is in conjunction with, or subsequent to, the approval of the Commission of substantive changes to the contract's terms or conditions.

The Commission also is proposing to reduce the associated filing requirements for automatically approved exchange rule amendments. Specifically, the Commission would replace the current requirement that the exchange file a separate notice of each such amendment, with a single, summary filing of all automatically approved rule amendments adopted by an exchange during the preceding week.<sup>5</sup> This proposal should significantly streamline the filing process for exchanges.

The Commission also is proposing to add a new, faster category of expedited review. This category would be for exchange rules that would be deemed to be approved three days after receipt of the Commission, and includes amendments to the terms and conditions of major currency<sup>6</sup> futures

<sup>5</sup> Under this proposed requirement, an exchange, if it so desired, could continue to file a separate notice of an automatically approved rule amendment as is currently required.

<sup>6</sup> Major currencies have nearly inexhaustible deliverable supplies, exhibit extremely deep and liquid markets, are not subject to convertibility or delivery restrictions and are easily arbitrated

contracts which meet the standards of Guideline No. 1, amendments to the terms and conditions of options on futures contracts,<sup>7</sup> and proposed revisions to the relating to the minimum price fluctuation and daily price limits.

These review categories reflect the Commission's experience in the time necessary to review proposed amendments to particular types of contract terms and conditions. The contract amendments eligible for these procedures are routine in nature and have clearly defined, often objective, standards regarding their permissibility under the Act and Commission regulations and it can be determined on its face whether the particular rule amendment complies with the applicable standard. Moreover, such rule amendments generally do not raise any issues relating to the contract's susceptibility to manipulation or whether its trading would be in the public interest.

In addition to the proposed new categories and expanded eligibility for such procedures, the Commission is proposing to reorganize its rules on expedited approval procedures into a more accessible and clearer format.<sup>8</sup> As proposed, Rule 1.41(b) would be reorganized into paragraphs reflecting the time permitted the Commission for review, 180 day review period, 45 day fast track review, 10 or 3 day expedited review (currently Rules 1.41(i)-(t)) and rules approved on adoption.

To further its goal of streamlining the filing process, the Commission is also encouraging exchanges to file their submissions electronically. Electronic filing of submissions will reduce unnecessary burdens and costs associated with the submission process to both the exchanges and the Commission.

between cash and futures markets. For this rule, they are defined as the Australian dollar; British pound; Euro (and its component currencies); Japanese yen; Canadian dollar; Swiss franc; New Zealand dollar; Swedish krona; and Norwegian krone.

<sup>7</sup> Under the proposal, changes to the cabinet trade provisions of an option contract, which currently are eligible for expedited approval under Commission regulation 1.41(q), would now qualify for expedited approval under the three day provision as provided in proposed Rule 1.41(b)(4). In this regard, a cabinet trade is defined as an option transaction whereby the per contract value of the cabinet trade is less than the per-contract value of a trade at the specified minimum premium fluctuation for the option contract. Cabinet trades, thus, are incorporated in Chart C of Guideline No. 1 as part of an option contract's minimum premium fluctuation rules.

<sup>8</sup> As discussed above, these procedures and standards currently are provided in a number of different Commission rules, including Rule 1.41(b) (which includes the fast-track procedures), and Rules 1.41(i) through (t) (expedited procedures).

**B. Commission Rule 1.41(d)**

Commission Rule 1.41(d) sets forth the submission requirements for contract market rules that are exempt from the requirements of section 5a(a)(12)(A) of the Act. These rules involve non-substantive, routine and administrative matters such as exchange standards of decorum and typographical error corrections. The Commission is proposing that rather than filing Rule 1.41(d) submissions on an individual basis, the exchanges be allowed to make these filings on a weekly basis and in electronic form if so desired.<sup>9</sup> The Commission believes that, to the extent that an exchange might otherwise make multiple Rule 1.41(d) filings in a particular week, this proposal will significantly streamline the filing process, thus making compliance easier to achieve.

**C. Commission Rule 1.45**

The Commission is proposing to remove Commission Rule 1.45. This Rule requires that the terms and conditions of all exchange traded futures contracts specify that the grades of the underlying commodities conform to U.S. standards, if the Commission has adopted such standards. The Commission as a matter of practice, does not officially promulgate specific standards for commodity futures contracts. Instead, the Commission has adopted the requirement that contract terms and conditions must be in conformance with customary cash market practices; provided that variances from cash market practices are permitted if necessary or appropriate for the contract. These requirements are currently set forth under the procedures of Guideline No. 1. Guideline No. 1, in effect, requires that contract terms and conditions submitted for approval must be based on U.S. standards if those standards represent cash market standards. The Commission approves rules requiring delivery of commodities using applicable U.S. standards based upon its assessment of the cash market. Given these procedures under Guideline No. 1, the Commission believes that requirements Rule 1.45 imposes are redundant and, therefore, Rule 1.45 should be removed.

These proposals should significantly reduce the regulatory burden for United

States exchanges, while maintaining the public protections of an effective system of Commission review of exchange rule amendments.

The Commission believes that the proposed revisions streamlining current review procedures offer the best balance between protection of the public and reducing regulatory and cost burdens on United States exchanges, thereby enabling them to compete better. In addition to relieving U.S. exchanges of any unnecessary burdens, the proposed rules will enable the Commission to devote its staff resources to the review of rules which raise more substantive issues. The Commission invites comment from the public regarding additional categories of contract terms and conditions that can be included within the relief proposed, or other additional steps that the Commission can take under its regulatory reform program.

**Related Matters****A. Regulatory Flexibility Act**

The Regulatory Flexibility Act, (RFA), 5 U.S.C. 601 *et seq.*, requires that agencies, in promulgating rules, consider the impact of these rules on small entities. The Commission has previously determined that contract markets are not "small entities" for purposes of the RFA, 5 U.S.C., 601 *et seq.* 47 FR 18618 (April 30, 1982). These amendments propose to establish streamlined procedures for Commission review and approval of proposed exchange amendments to its rules. Accordingly, the Acting Chairman, on behalf of the Commission, hereby certifies, pursuant to 5 U.S.C. 605(b), that the action taken herein will not have a significant economic impact on a substantial number of small entities. However, the Commission invites comments from any firms or other persons that believe that the promulgation of these rules might have a significant impact upon their activities.

**B. Paperwork Reduction Act**

When publishing proposed rules, the Paperwork Reduction Act (PRA) of 1995 {Pub. L. 104-13 (May 1, 1995)} imposes certain requirements on federal agencies (including the Commission) in connection with their conducting or sponsoring any collection of information defines by the PRA. In compliance with the Act, the Commission, through this rule proposal, solicits comments to:

(1) Evaluate whether the proposed collection of information is necessary for the proper performance of the

functions of the agency, including the validity of the methodology and assumptions used; (2) evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information including the validity of the methodology and assumptions used; (3) enhance the quality, utility, and clarity of the information to be collected; and (4) minimize the burden of the collection of the information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submissions of responses.

The Commission has previously submitted these rules and their associated information collection requirements to the Office of Management and Budget (OMB). The Office of Management and Budget approved the collection of information associated with these rules on October 24, 1998 and assigned OMB control number 3038-0022 to the rules. The burden associated with the entire collection (3038-0022), including these proposed rules is as follows:

*Average burden hours per response:* 3,609.89.

*Number of respondents:* 15,893.

*Frequency of response:* On Occasion.

Persons wishing to comment on the information which would be required by the proposed rules should contact the Desk Officer, CFTC, Office of Management and Budget, Room 10202, NEOB, Washington, DC 20503, (202) 395-7340. Copies of the information collection submission to OMB are available from the CFTC Clearance Officer, 1155 21st Street, NW, Washington, DC 20581, (202) 418-5160.

Copies of the OMB-approved information collection package associated with this rulemaking may be obtained from the Desk Officer, Commodity Futures Trading Commission, Office of Management and Budget, Room 10202, NEOB Washington, DC 20503, (202) 395-7340.

**List of Subjects in 17 CFR Part 1**

Commodity exchanges, Contract market rules, Rule review procedures.

In consideration of the foregoing, and pursuant to the authority contained in the Commodity Exchange Act and, in particular, sections 4c, 5, 5a and 8a thereof, 7 U.S.C. 6c, 7, 7a, and 12a, the Commission hereby proposes to amend Part 1 of Chapter I of Title 17 of the Code of Federal Regulations as follows:

<sup>9</sup>Section 5a(a)(1) of the Act requires that a contract market "promptly furnish the Commission with copies of all bylaws, rules, regulations, and resolutions made or issued by it." (emphasis added). While in these proposed rules a contract market must furnish rules within seven days, this is not to suggest that the term "prompt," which may appear in other sections of the Act or rules, is seven days.

**PART 1—GENERAL REGULATIONS  
UNDER THE COMMODITY EXCHANGE  
ACT**

1. The authority citation for part 1 continues to read as follows:

**Authority:** 7 U.S.C. 1a, 2, 2a, 4, 4a, 6, 6a, 6b, 6c, 6d, 6e, 6f, 6g, 6h, 6i, 6j, 6k, 6l, 6m, 6n, 6o, 6p, 7, 7a, 7b, 8, 9, 12, 12a, 12c, 13a, 13a-1, 16, 16a, 19, 21, 23, and 24.

2. Section 1.41 is proposed to be amended by revising paragraphs (b)(1)(i) introductory text, (b)(1)(i)(A), and (b)(2), by removing paragraphs (b)(3) and (b)(4), by adding new paragraphs (b)(3), (b)(4) and (b)(5), by revising paragraph (d)(2) and by removing paragraphs (i) through (t) to read as follows:

**§ 1.41 Contract market rules; submission of rules to the Commission; exemption of certain rules.**

\* \* \* \* \*

(b) Rules that relate to contract terms and conditions.—(1) Pre-approval review procedures. (i) Except as provided in paragraphs (b)(5) and (f) of this section, all proposed contract market rules that relate to terms and conditions must be submitted to the Commission for approval pursuant to section 5a(a)(12)(A) of the Act prior to their proposed effective dates. One copy of each rule submitted under this section shall be furnished in hard copy or electronically in a format specified by the Secretary of the Commission to the Commission at its Washington, DC headquarters. If a hard copy is furnished for submissions under appendix A to part 5 of this chapter, two additional hard copies shall be furnished to the Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street NW., Washington, DC 20581. Each submission under this paragraph (b) shall be in the following order:

(A) Label the submission as being submitted pursuant to Regulation 1.41(b)—regular review procedures.

\* \* \* \* \*

(2) Fast track 45 day review. (i) All proposed contract market rules that relate to terms and conditions submitted for review under paragraph (b)(1) of this section shall be deemed approved by the Commission under section 5a(a)(12)(A) of the Act, 45 days after receipt by the Commission, unless notified otherwise within that period, if:

(A) The contract market labels the submission as being submitted pursuant to Commission Rule 1.41(b)—Fast Track Review;

(B) The submission complies with the requirements of paragraph (b)(1)(i)(A) through (E), of this section or for

dormant contracts, the requirements of § 5.2 of this chapter;

(C) The contract market does not amend the proposed rule or supplement the submission, except as requested by the Commission, during the pendency of the review period; and

(D) The contract market has not instructed the Commission in writing during the review period to review the proposed rule under the usual procedures under section 5a(a)(12)(A) of the Act and paragraph (b)(1) of this section.

(ii) The Commission, within 45 days after receipt of a submission filed pursuant to paragraph (b)(2)(i) of this section, may notify the contract market making the submission that the review period has been extended for a period of 30 days where the proposed rules raises novel or complex issues which required additional time for review. This notification will briefly specify the nature of the specific issues for which additional time for review is required. Upon such notification, the period for fast-track review of paragraph (b)(2)(i) of this section shall be extended for a period of 30 days.

(iii) During the 45-day period for fast track review, or the 30-day extension when the period had been enlarged under paragraph (b)(2)(ii) of this section, the Commission shall notify the contract market that the Commission is terminating fast-track review procedures and will review the proposed rule under the usual procedures of section 5a(a)(12)(A) of the Act and paragraph (b)(1) of this section if it appears that the proposed rule may violate a specific provision of the Act, regulation, or form or content requirement of this section. This termination notification will briefly specify the nature of the issues raised and the specific provision of the Act, regulation or form or content requirement of this section that the proposed rule appears to violate. Within 10 days of receipt of this termination notification, the contract market may request that the Commission render a decision whether to approve the proposed rule or to institute a proceeding to disapprove the proposed rule under the procedures specified in section 5a(a)(12)(A) of the Act by notifying the Commission that the contract market views its submission as complete and final as submitted.

(3) Expedited 10 day review. (i) Notwithstanding the provisions of paragraph (b)(1) of this section, the following changes to contract terms and conditions shall be deemed approved by the Commission ten business days after receipt:

(A) Specifically approved standards. Changes to terms and conditions that are consistent with the Act and Commission regulations and with standards approved or established by the Commission in a written notification to the contract market of the applicability of this paragraph; provided, however, that the Commission may at any time alter or revoke the applicability of such a notice to any particular contract;

(B) Financial standards for delivery facilities. Changes in the financial standards or requirements for regular delivery facilities or comparable entities; provided that:

(1) The amended rule does not affect the regularity or delivery status of any existing facility declared regular by the contract market for the relevant commodity(ies) or likely candidates for regularity status,

(2) The requirement is stated in the rules and applies uniformly to all applications for regularity, and

(3) The requirement is related solely for the purpose of ensuring the financial integrity of the regular facility(ies); and

(C) Delivery standards set by third parties. Changes to grades or standards of commodities deliverable on futures contracts which are established by an independent third party and which are incorporated by reference as terms of the contract; provided that the grade or standard is not established, selected or calculated solely for use in connection with futures or option trading.

(ii) The contract market must label filings under this paragraph as submitted for “10 Day Expedited Review.”

(iii) The Commission will, within 10 business days after receipt of the submission, notify the contract market making the submission if it appears that the change is not consistent with the provisions of this paragraph. Upon such notification by the Commission to the contract market, the change will be subject to the usual procedures under section 5a(a)(12)(A) of the Act and paragraph (b)(1) of this section.

(4) Expedited three day review, (i) Notwithstanding the provisions of paragraph (b)(1) of this section, the following changes to contract terms and conditions shall be deemed approved by the Commission three business days after receipt:

(A) Specifically approved standards. Changes to terms and conditions that are consistent with the Act and Commission regulations and with standards approved or established by the Commission in a written notification to the contract market of the applicability of this paragraph;

provided, however, that the Commission may at any time alter or revoke the applicability of such a notice to any particular contract;

(B) Options on futures contracts. (1) Changes to terms and conditions for options on futures contracts that are consistent with the Act, Commission regulations and the standards set forth in Part 5, Appendix A(c)(3) of this chapter;

(2) Changes to exchange rules governing option trading months, including a procedure for listing options with different expiration dates based on the same underlying futures contract month (option serial months), that are specified and automatic; and

(3) Changes to option automatic exercise procedures that are specified and objective, apply only to in-the-money options and provide an opportunity for option holders to override the automatic exercise provision.

(C) Currency futures contracts. Changes to terms and conditions that are consistent with the Act, Commission regulations and the standards set forth in Part 5, Appendix A(a)(3)(1)–(15) of this chapter for futures and options on physicals contracts based on the following currencies (including currency cross rates); Australian dollar, British pound; Euro (and its component currencies); Japanese yen; Canadian dollar; Swiss franc; New Zealand dollar; Swedish krona; and Norwegian krone.

(D) Minimum price fluctuation limits. Changes to the minimum tick provisions for futures contracts that do not increase tick size; and

(E) Price limit provisions for futures contracts. Changes to price limit rules for futures contracts, except for equity index contracts, provided that the change does not reduce the existing price limit.

(ii) The contract market must label filings under this paragraph as submitted for "Three Day Expedited Review."

(iii) The Commission will, within three business days after receipt of the submission, notify the contract market making the submission if it appears that the change is not consistent with the provisions of this paragraph. Upon such notification by the Commission to the contract market, the change will be subject to the usual procedures under section 5a(a)(12)(A) of the Act and paragraph (b)(1) of this section.

(5) Pre-approved rules. (i) Notwithstanding the provisions of paragraph (b)(1) of this section, the following changes to contract terms and conditions shall be deemed approved by

the Commission at the time the change is adopted by the contract market:

(A) Specifically approved standards. Changes to terms and conditions that are consistent with the Act and Commission regulations and with standards approved or established by the Commission in a written notification to the contract market of the applicability of this paragraph; provided, however, that the Commission may at any time alter or revoke the applicability of such a notice to any particular contract;

(B) Index contracts. Routine changes in the composition, computation, or method of selection of component entities of an index other than a stock index referenced and defined in the contract's terms, made by an independent third party whose business relates to the collection or dissemination of price information and which was not formed solely for the purpose of compiling an index for use in connection with a futures of option contract;

(C) Survey lists for cash settled contracts. Proposals relating to the initial listing or changes to the lists of banks, brokers, dealers or other entities which provide price or cash market information to a contract market for purposes of computing cash settlement prices or a cash price series or for defining the deliverable supply for physical delivery contracts, if consistent with a rule approved by the Commission establishing standards or criteria for the persons or entities which qualify for the list;

(D) Non-material revisions. Corrections of typographical errors, renumbering, periodic routine updates to identifying information about approved entities and other such nonsubstantive revisions of contract terms and conditions that have no effect on the economic characteristics of the contract;

(E) Trading hours. Changes to trading hours; provided that for changes that permit trading between 6:00 p.m. and 7:00 am local time where the contract market is located, the contract market has previously received Commission approval for trading in such hours in at least one designated contract, and that the change does not provide for the initial listing of a contract on an automated trading system;

(F) Trading months. Proposals to list initially or to change the listing of trading months for futures and options on physicals contracts which are not outside of a previously approved listing cycle and were not previously delisted, unless the delisted month is being relisted subsequent to the amendment of

a contract term or condition approved or deemed to be approved by the Commission under this section and proposals to delist trading months having no open interest;

(G) Discretionary option strike prices. The non-routine listing of option strike prices not required to be listed under the automatic listing procedures; and

(H) Listings on supplemental trading sessions. Changes to the months or strike prices listed for trading during supplemental trading sessions outside normal trading hours where such listings represent all or a subset of the months or strikes listed during regular trading hours.

(ii) The contract market must provide to the Commission at least weekly a summary notice of all rule changes made pursuant to this paragraph during the preceding week. Such notice must be labeled "Weekly List of Pre-Approved Rule Changes" and need not be filed for weeks during which no such actions have been taken. One copy of each such submission shall be furnished in hard copy or electronically in a format specified by the Secretary of the Commission to the Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street NW., Washington, DC 20581.

(iii) The Commission will, within three business days after receipt of the submission, notify the contract market making the submission if it appears that change is not consistent with the provisions of this paragraph. Upon such notification by the Commission to the contract market, the change will be subject to the usual procedures under section 5a(a)(12)(A) of the Act and paragraph (b)(1) of this section.

\* \* \* \* \*

(d) \* \* \*

(2) Rules that are exempt from the requirements of section 5a(a)(12)(A) of the Act in accordance with the provisions of this paragraph (d) shall nonetheless be submitted to the Commission pursuant to the provisions of section 5a(a)(1) of the Act. Each such submission shall be labeled as being submitted pursuant to section 5a(a)(1) of the Act and paragraph (d) of this section. The contract market may instead provide to the Commission, at least weekly, a summary notice of all rule changes made pursuant to this paragraph during the preceding week. One copy of each such submission shall be furnished in hard copy or electronically in a format specified by the Secretary of the Commission to the Commodity Futures Trading Commission, Three Lafayette Centre,

1155 21st Street NW., Washington, DC 20581.

\* \* \* \* \*

3. Section 1.45 is removed and reserved.

Issued in Washington, DC, this 7th day of July, 1999 by the Commodity Futures Trading Commission.

**Jean Webb,**

*Secretary of the Commission.*

[FR Doc. 99-17812 Filed 7-14-99; 8:45 am]

BILLING CODE 6351-01-M

## NATIONAL INDIAN GAMING COMMISSION

### 25 CFR Part 516

RIN 3141-AA20

#### Administrative Practice and Procedure; Testimony; Information; Response to Subpoena

AGENCY: National Indian Gaming Commission.

ACTION: Proposed rule.

**SUMMARY:** The National Indian Gaming Commission proposes to issue regulations describing the duties of its personnel with respect to litigation involving the National Indian Gaming Commission or the official responsibilities of National Indian Gaming Commission employees.

**DATES:** Comments may be submitted on or before August 16, 1999.

**ADDRESSES:** Comments may be mailed to: Testimony Regulation Comments, National Indian Gaming Commission, 1441 L Street, NW., Suite 9100, Washington, DC 20005, delivered to that address between 8:30 a.m. and 5:30 p.m., Monday through Friday, or faxed to 202/632-7066 (this is not a toll-free number). Comments received may be inspected between 9:00 a.m. and noon, and between 2:00 p.m. and 5:00 p.m., Monday through Friday.

**FOR FURTHER INFORMATION CONTACT:** Richard Schiff at 202/632-7003; fax 202/632-7066 (these are not toll-free numbers).

**SUPPLEMENTARY INFORMATION:** Because the National Indian Gaming Commission is regularly associated with a variety of matters which have the potential for resulting in litigation, the National Indian Gaming Commission has a requirement for regulations describing the duties of its personnel with respect to such litigation. This proposed rule promulgates for the National Indian Gaming Commission the regulations contemplated by the United States Supreme Court in *United*

*States Ex. Rel. Touhy v. Ragen*, 340 U.S. 462 (1951).

#### Regulatory Flexibility Act

This proposed rule will not have a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.* Because this rule is procedural in nature, and affects principally the actions of personnel of the National Indian Gaming Commission, it will not impose substantive requirements that could be deemed impacts within the scope of the Act.

#### Paperwork Reduction Act

Although the proposed regulation mandates that litigants seeking the testimony of National Indian Gaming Commission personnel submit a written request, the requirement is simply a formal embodiment of existing practice and in some cases a substitute for a subpoena or other process. In any event it is at most a de minimus requirement.

#### National Environmental Policy Act

The National Indian Gaming Commission has determined that this proposed rule does not constitute a major Federal action significantly affecting the quality of the human environment and that no detailed statement is required pursuant to the National Environmental Policy Act of 1969.

#### List of Subjects in 25 CFR Part 516

Administrative practice and procedure, Gambling, Indians—lands, Reporting and recordkeeping requirements.

For the reasons stated in the preamble, the National Indian Gaming Commission proposes to amend 25 CFR Chapter III by adding a new Part 516 as follows:

#### PART 516—TESTIMONY OF COMMISSIONERS AND EMPLOYEES AND FORMER COMMISSIONERS AND FORMER EMPLOYEES RESPECTING OFFICIAL DUTIES; RESPONSE TO SUBPOENA

Sec.

- 516.1 What is the purpose of this part and to whom does it apply?  
 516.2 When may a person to whom this part applies give testimony, make a statement or submit to interview?  
 516.3 When may a person to whom this part applies produce records?  
 516.4 How are records certified or authenticated?

**Authority:** 25 U.S.C. 2706; 25 U.S.C. 2716(a); 18 U.S.C. 1905.

#### § 516.1 What is the purpose of this part and to whom does it apply?

(a) The purpose of this part is to promulgate regulations regarding the release of official National Indian Gaming Commission information and provision of testimony by National Indian Gaming Commission personnel with respect to litigation or potential litigation and to prescribe conduct on the part of National Indian Gaming Commission personnel in response to a litigation-related request or demand.

(b) This part applies to litigation-related requests or demands (including subpoena, order or other demand) for interview, testimony (including by deposition) or other statement, or for production of documents relating to the business of the National Indian Gaming Commission, whether or not the National Indian Gaming Commission or the United States is a party to the litigation. It does not, however, apply to document requests covered by 25 CFR parts 515 and 517.

(c) To the extent the request or demand seeks official information or documents, the provisions of this part are applicable to Commissioners, employees, and former Commissioners and former employees, of the National Indian Gaming Commission.

#### § 516.2 When may a person to whom this part applies give testimony, make a statement or submit to interview?

(a) No person to whom this part applies, except as authorized by the Chairman or the General Counsel pursuant to this part, shall provide testimony, make a statement or submit to interview.

(b) Whenever a subpoena commanding the giving of any testimony has been lawfully served upon a person to whom this part applies, such individual shall, unless otherwise authorized by the Chairman or the General Counsel, appear in response thereto and respectfully decline to testify on the grounds that it is prohibited by this part.

(c) A person who desires testimony or other statement from any person to whom this part applies may make written request therefor, verified by oath, directed to the Chairman setting forth his or her interest in the matter to be disclosed and designating the use to which such statement or testimony will be put in the event of compliance with such request: *Provided*, that a written request therefor by an official of any federal, state or tribal entity, acting in his or her official capacity need not be verified by oath. If it is determined by the Chairman or the General Counsel that such statement or testimony will be