

SUBMISSION COVER SHEET

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Date 4/6/06

ORGANIZATION | NYBOT

FILING AS A:

DCM

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DTEF

TYPE OF FILING

- **Rule Amendments**

Self-Certification Under Reg. 40.6(a)

Commission Approval Requested Under Reg. 40.5 or 40.4 (a)

Notification of Rule Amendment Under Reg. 40.6(c)

Non-Material Agricultural Rule Change Determination Under Reg. 40.4(b)

- **New Products**

Self-Certification Under Reg. 40.2 or 41.23

Commission Approval Requested Under Reg. 40.3

RULE NUMBERS

Definition of “eCOPS[®]” and Rules 7.61-7.64, 7.66-7.77, 7.79, 13.01, 13.05, 13.06, 13.09, 13.13, 13.14, 13.16, 13.17, 13.20 and 13.21.

DESCRIPTION (Rule Amendments Only)

Definition of “eCOPS” and amendments to Rules 7.61-7.64, 7.66-7.77, 7.79, 13.01, 13.05, 13.06, 13.09, 13.13, 13.14, 13.16, 13.17, 13.20 and 13.21 provide for the use of eCOPS[®] in FCOJ delivery process and eliminate Exchange delivery of FCOJ stored in drums. Amendments to Rule 7.64 will revise insurance and bonding requirements for tank facility operators.



BY ELECTRONIC TRANSMISSION

06-9
April 6, 2006

Ms. Jean A. Webb
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: **Definition of “eCOPS[®]” and Amendments to Rules 7.61-7.64, 7.66-7.77, 7.79, 13.01, 13.05, 13.06, 13.09, 13.13, 13.14, 13.16, 13.17, 13.20 and 13.21 - Submission Pursuant to Section 5c(c)(2) of the Act and Regulation 40.4(a)**

Dear Ms. Webb:

Pursuant to Section 5c(c)(2) of the Commodity Exchange Act, as amended, and Commission Regulation 40.4(a), the Board of Trade of the City of New York, Inc. (“the Exchange”) submits for Commission approval the definition of “eCOPS” and amendments to Rules 7.61-7.64, 7.66-7.77, 7.79, 13.01, 13.05, 13.06, 13.09, 13.13, 13.14, 13.16, 13.17, 13.20 and 13.21, attached as Exhibit A.

eCOPS

The amendments provide for the use of the Exchange’s web-based commodity operations system, eCOPS[®]. The eCOPS is a web-based tool that will permit FCOJ market participants to manage their inventory and make Exchange deliveries through a standard internet connection. In addition, coinciding with the implementation of eCOPS, the amendments will eliminate the provisions allowing delivery of FCOJ stored in drums.

The eCOPS is now used for the delivery of the Exchange’s Coffee “C”[®] and Cocoa futures contracts (see Coffee, Sugar & Cocoa Exchange, Inc. Submission No. 03-53 and NYBOT[®] Submission No. 04-47). Similar to Coffee “C”, Cocoa and Cotton No. 2SM deliveries, which use electronic warehouse receipts (“EWRs”), the Clearing Corporation will act as the agent for the deliverer and receiver. The deliverer will transfer the EWR and the invoice to the Clearing Corporation, and the receiver will wire the Clearing Corporation the necessary funds.

Upon receipt of the documents and funds from both sides, the Clearing Corporation will transfer the EWR to the receiver and the money to the deliverer.

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By deleting the obsolete and unnecessary provisions for delivery of FCOJ in drums, the delivery process will become current with existing practice. The Exchange has not had a drum delivery for more than a decade.

Performance Bond and Insurance Requirements

The amendments to Rule 7.64 also include revisions to the performance bond and insurance requirements for Exchange licensed tank facility operators. The amendments set the amount of the performance bond or letter of credit required to be maintained by the operator of each licensed facility at \$1,000,000 and eliminate the provisions for a schedule of graduated amounts based upon the number of outstanding shipping certificates, i.e., EWRs, issued by the facility. The amendments also add two new provisions to existing insurance requirements for operators of licensed facilities:

- (i) the required All-Risk insurance policies must include a provision naming the Exchange as an insured party or loss payee with regard to FCOJ for which EWRs have been issued; and
- (ii) licensed facility operators must agree in writing that, in the event that any loss or damage is paid in full or in part to the tank facility by the insurer, such payment, in preference to any other claims, shall be assigned first to any and all claims for FCOJ for which an EWR has been issued.

By replacing the sliding scale with a fixed amount for the performance bond/letter of credit, unnecessary costs imposed upon operators of licensed facilities will be eliminated and make the delivery system more cost efficient. In addition, the two additions to the insurance provisions will enhance the ability of the Exchange and the holders of EWRs to recover from a loss of product at an Exchange licensed facility. A poll of all currently licensed tank facility operators showed that all such facilities were in favor of and could implement the new provisions.

The performance bond and insurance amendments are commensurate with the Chicago Board of Trade's performance bond and insurance requirements for rough rice and oats. Those commodities are stored in silos, similar to FCOJ tanks, with one owner's rough rice or oats commingled with another's, identical to FCOJ.

The Exchange certifies that the definition and amendments comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder.

The definition and amendments were adopted by the Exchange's Board of Governors on April 5, 2006. No substantive opposing views were expressed by members or others with

respect to the definition and amendments. The Exchange anticipates that the eCOPS amendments will become effective during the second quarter of 2006, and the performance bond and

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insurance amendments will become effective on a date set by the President after approval by the Commission. The Exchange intends that the definition and amendments will go into effect for all listed and subsequently listed delivery months as the definition and amendments will not effect the value of such contracts and have no impact on price.

If you have any questions or need further information, please contact me at jfassler@nybot.com or 212-748-4084.

Sincerely,

Jill S. Fassler
Vice President
Associate General Counsel

cc: Riva Adriance
Thomas Leahy
CFTC, Division of Market Oversight
Allen Cooper
CFTC, New York Regional Office

(In the text of the amendments below, additions are underlined and deletions are bracketed and lined out.)

The following definition will be added to Definitions Chapter of the Rule Book.

eCOPS[®]

The term “eCOPS” shall mean the electronic commodity operations system utilized by the Exchange.

Rule 13.01. Contract for Future Delivery of FCOJ

(a) ~~[No contract for the future delivery of FCOJ shall be recognized, acknowledged or enforced by the Exchange or any committee or officer thereof, unless both parties thereto shall be Members of the Exchange. Members shall offer their contracts for clearance to the Clearing Organization, which, upon acceptance thereof, shall become by substitution a party thereto in place of the Member and thereupon such Clearing Organization shall become subject to the obligations thereof and entitled to all of the rights thereunder, assuming to the buyer the position of the seller and to the seller the position of the buyer; provided, however, that said Clearing Organization shall have no liability to the buyer or the seller on any such contract after a notice of delivery thereunder has been issued and stopped.]~~

~~(b)]~~ All contracts for the future delivery of FCOJ shall be in the following form:

NEW YORK BOARD OF TRADE[®]

FROZEN CONCENTRATED ORANGE JUICE CONTRACT

New York, N. Y. _____ 20 _____

A.B. have this day (bought) (sold) and agree to (receive from) (deliver to) C.D. 15,000 pounds of orange solids at the price of _____ cents per pound for U.S. Grade A frozen concentrated orange juice (“FCOJ”) in accordance with the Rules of the New York Board of Trade, deliverable from a licensed public warehouse or a licensed tank facility

in _____ (point of delivery) between the first (1st) and last delivery days of _____ inclusive, and the delivery within such time to be at seller's Option upon notice to buyer, as provided by the Rules of the New York Board of Trade.

~~[Either party may call for a Margin, as the variations of the market or like deliveries may warrant, which Margin shall be kept good.]~~

This contract is made in view of, and in all respects subject to, the Rules of the New York Board of Trade.

For and in consideration of one dollar (\$1.00) to the undersigned, in hand paid, receipt whereof is hereby acknowledged, the undersigned accepts this contract with all its obligations and conditions.

Delivery of FCOJ on contract may be made at delivery points designated by the Board of Governors. The designated delivery points may be added to or subtracted from at the discretion of the Board of Governors after clearance with the CFTC and proper notice to the Membership.

EXHIBIT A

Rule 13.05. Form of Delivery

Each contract for FCOJ ~~[may]~~ shall be delivered by ~~[drum delivery (i.e., stored in drums) or]~~ tank delivery (i.e., stored in tanks), ~~[, at the Option of the seller, as follows:~~

~~(a) Each contract delivered by drum delivery shall require the delivery of a warehouse receipt for FCOJ stored in drums meeting the specifications for delivery by drums in accordance with the Rules.~~

~~(b) Each contract delivered by tank delivery shall require the delivery of an EWR registered with the Exchange [shipping certificate] for FCOJ meeting the specifications for delivery by tank in accordance with the Rules.~~

Rule 13.06. Trading Months

(a) Futures trading in FCOJ shall be conducted in, and be confined to contracts providing for delivery in, the months of January, March, May, July, September, and November.

(b) Trading in a new delivery month shall be initiated at the opening of trading on the first (1st) Business Day of the nineteenth (19th) month preceding any delivery month except for the January [futures] delivery month which always will have the two (2) nearest Januarys listed for trading.

Rule 13.09. First and Last Notice Days

(a) The first (1st) notice day for FCOJ-A and FCOJ-B shall be the first (1st) Business Day of the expiring month.

(b) The last day on which a Delivery Notice [notice day] may be issued (the “Last Notice Day”) for FCOJ-A shall be the fifth (5th) Business Day prior to the last Business Day of the expiring month.

(c) The ~~[t]Last [n]Notice [d]Day~~ for ~~[the]~~ FCOJ-B shall be the sixth (6th) Business Day prior to the last Business Day of the expiring month.

Rule 13.13. Delivery Notices

(a) The following terms, as used in this Chapter 13, shall have the meanings indicated unless the context requires otherwise:

(1) “Certificate of Registration” shall mean an electronic record created on eCOPS[®] in accordance with eCOPS procedures which signifies that an EWR has been registered with the Exchange in accordance with the Rules and that the tank facility has met the performance bond requirements as provided in Licensing Rule 7.64(e).

(2) “Date of Delivery” shall mean the date five (5) Business Days following the date of issue of the Delivery Notice, except as the Rules may otherwise provide; provided, however, that if the Date of Delivery is a bank holiday, the Date of Delivery shall mean the next Business Day that is not a bank holiday.

(3) “Delivery Notice” shall mean the notice of intention to deliver one (1) or more FCOJ contracts issued to the Clearing Organization by a Clearing Member carrying a short position, in the form, and by the times, specified by the Exchange.

(4) “Delivery Worksheet” shall mean an electronic record created on eCOPS on the day the Delivery Notice is issued, which shall be maintained and updated, as applicable, during the five (5) Business Days until the Date of Delivery, as further described in Rule 13.16.

(5) “EWR” shall mean the electronic warehouse receipt record created on eCOPS by a tank facility concerning FCOJ that is stored in such facility.

(6) “Exchange Invoice” shall mean an electronic record created on eCOPS from data contained on the Delivery Notice and Delivery Worksheet, showing the amount to be paid by the Receiver for the delivery of FCOJ identified in such invoice.

(7) “Notice of Transfer” shall mean an electronic record created on eCOPS that changes the holder of title of an EWR from a Clearing Member to the Clearing Organization or from the Clearing Organization to a Clearing Member in connection with a delivery of FCOJ.

(b) Every Delivery Notice:

(1) [issued by the seller pursuant to a contract for future delivery] shall be [tendered to the buyer before the opening of the Exchange] in a form acceptable to the Clearing Organization and shall be issued on the fifth (5th) Business Day prior to the Date of Delivery; [day of delivery.]

(2) [Notices] may be tendered on and after the first (1st) Business Day of a maturing month; [It shall be the responsibility of the Clearing Member to tender notice and to make arrangements for the fulfillment of all contracts in the current month which have not been liquidated upon expiration of trading in the current delivery month. Delivery notices]

(3) must be submitted to the Clearing Organization prior to [6]5:00 pm on the Business Day prior to the date of issue; [notice day.]

[b) When notices are received from the Clearing Organization, they may be stopped only for an account previously long.]

(c) Every delivery notice]

(4) shall be for fifteen thousand (15,000) pounds of solids showing the [deliverer's invoice number and the] facility from which the FCOJ will be delivered and a price per pound equal to the Settlement Price on the Business Day preceding the date of issue of the Delivery Notice; and

[d) A delivery notice may be for one (1) or more contracts; a notice covering more than one (1) contract shall be referred to herein as a “Multiple Notice”.]

[e) A delivery notice must]

(5) shall be for [drum or] tank delivery only.

(6) Notwithstanding the foregoing provisions of this paragraph (b), if a Member transfers any contracts after the close of trading in accordance with Rule 4.11(e):

(A) the failure of such Member to issue a Delivery Notice with respect to such contracts shall not be deemed to be a violation of this Rule; and

(B) if any contracts so transferred do not offset any contracts with respect to which the transferee had issued a Delivery Notice, the transferee shall issue a Delivery Notice in accordance with this Rule.

(c) Upon receipt of a Delivery Notice, the Clearing Organization shall issue it in accordance with the Clearing Organization Rules.

(d) A holder of a “stopped notice” may at the option of the issuer thereof arrange to have such notice taken back by such issuer upon such terms as are mutually agreed to by such issuer and such holder.

[f) A Multiple Notice can be issued only for FCOJ located at a single licensed facility.]

[g] (e) The specifics of delivery information contained in a Delivery Notice and the Delivery Worksheet [that go from the deliverer to the Clearing Organization and then to the Receiver] shall be referred to in these Rules as “Notice of Delivery Information”.

(f) During the five (5) Business Days between the issuance of the Delivery Notice and the Date of Delivery, the Delivery Worksheet will be accessible to each Deliverer and Receiver through eCOPS showing Notice of Delivery Information as to the Delivery Date, Issuer, Stopper, Exchange Registration Number, EWR Number, Tank Facility, Delivery Port, Weight, Invoice Amount and such other information as the Exchange shall determine.

~~[(h) Delivery notices shall be in a form that is acceptable to the Clearing Organization.]~~

~~[(+)] (g) If, at 1:00 pm on the day prior to Delivery, the Notice of Delivery Information is inaccurate, the receiving Clearing Member shall file a written Claim concerning the inaccuracy with the delivering Clearing Member and the Exchange's Office of Commodity Operations no later than ten (10) days after the [day] Date of D[el]ivery. The written Claim shall include the amount of compensation for losses being sought by the Claimant. Resolution of the Claim shall proceed in accordance with Rule 13.23.~~

Rule 13.14. Termination of Trading—Holidays

(a) All trading in the current month shall cease one hour and forty-five minutes after the opening of such contract on the fourteenth (14th) Business Day prior to the last delivery day of the month.

(b) Holidays as are prescribed by the Rules or ordered by the Exchange or by the Board shall be observed as holidays so far as concerns the issuing of notices or the delivery of documents in fulfillment of contracts for future delivery, except as hereinafter provided.

~~(i) When the Last Notice Day [last day on which a notice may be issued for delivery in the current month] is declared a holiday or half trading day after 5:00 p.m. of the second (2nd) trading day prior to the Last Notice Day, [too late for the issuance thereof on the preceding notice day, such notice] a Delivery Notice may be issued [may be given] in the usual manner on such holiday.~~

~~(ii) When the last delivery day of the current month is declared a holiday after 5:00 p.m. of the sixth (6th) Business Day prior to the last delivery day [too late for a notice to be issued requiring delivery on the preceding Business Day], then the delivery shall be completed on said holiday.~~

(c) Members having contracts open in the current month must keep their offices open for the purpose of receiving such notices or of completing such deliveries.

Rule 13.16. Delivery of Invoice and Documents

(a) For purposes of this Rule, and the Exchange's FCOJ Warehouse and Licensing Rules, storage charges are all those charges set forth in the Licensed Facility's tariff published pursuant to Rule 7.64(f).

~~[(b)(i) Drum Delivery~~

~~(A) On drum delivery, the Deliverer shall tender to the Receiver, before 1:00 p.m. on the day prior to the day of delivery, the following documents: an Exchange Certificate; a Certificate of Quality and Condition issued by the U.S.D.A.; a Packer's Manifest showing drum numbers, net weight, Brix, Brix to acid ratio and pounds of solids; a document evidencing storage charges paid through at least the end of the delivery month and a completed invoice. In addition, if FCOJ A is delivered, the Deliverer shall also tender to the Receiver a Certificate of Origin issued by the U.S.D.A.~~

~~(B) The Deliverer shall tender before 2:00 p.m. on the day of delivery a negotiable warehouse receipt as provided for in these Rules issued to bearer and signed by the warehouseman. The delivery of FCOJ shall be considered complete when the documents as above provided shall have been delivered to the Receiver; provided, however, that the results of grade reviews must be honored by the Deliverer and Receiver.~~

~~(C) The weight of a contract of FCOJ as figured from the Packer's Manifest shall be binding upon all parties.~~

~~[(ii) Tank Delivery~~

~~(A) On tank delivery, the Deliverer shall tender to the Receiver, before 1:00 p.m. on the day prior to the day of delivery, the following documents: a document evidencing storage charges paid through at least the end of the delivery month and a completed invoice. The Deliverer shall tender,~~

~~before 2:00 p.m. on the day of delivery, a shipping certificate as provided for in these Rules issued to bearer and signed by the tank facility operator.~~

~~(B) The delivery of FCOJ shall be considered complete when the documents as above provided shall have been delivered to the Receiver; provided, however, that the results of grade reviews must be honored by the Deliverer and Receiver.]~~

(b) All FCOJ deliveries shall be made by the transfer of EWRs, which have been issued a Certificate of Registration, through Clearing Members that have executed eCOPS Participant Agreements in the form specified by the Exchange.

(c) On the day prior to the Date of Delivery at 1:00 p.m, all information, including current storage fees, contained on the Delivery Worksheet for each Deliverer and Receiver shall be deemed complete, correct and final and may not be changed in any respect by a Deliverer or Receiver.

(d) On the Date of Delivery at 9:00 a.m., on the basis of the information contained in such final Delivery Worksheet, the Exchange, through eCOPS, shall issue a Notice of Transfer causing the Clearing Organization to be identified in eCOPS as the Title Holder of the EWRs corresponding to the FCOJ identified in each final Delivery Worksheet. The Clearing Organization shall thereafter debit the account designated by the Receiver for delivery purposes and credit the account designated by the Deliverer for such purposes for the full amount of the Exchange Invoice, and issue a Notice of Transfer causing the Receiver to be identified in eCOPS as the Title Holder of the corresponding EWRs.

~~[(C)]~~ (e) The weight of a contract of FCOJ as weighed by the tank facility operator immediately after delivery into the Receiver's truck, tanker or other conveyance shall be binding upon all parties. Weight adjustments shall be made basis the closing futures price in the then current month on the Business Day before the FCOJ is loaded out to the Receiver.

~~[(iii) If the Deliverer fails to tender to the Receiver the documents listed in either subparagraph (b)(i)(A) or (b)(ii)(A) of this Rule on the day prior to the day of delivery but tenders the documents on the day of delivery and the delivery is completed in accordance with this Rule, the Receiver shall file a written Claim concerning such failure with the Deliverer and the Exchange's Office of Commodity Operations no later than ten (10) days after the day of delivery. The written Claim shall include the amount of compensation for losses being sought by the Claimant. Resolution of the Claim shall proceed in accordance with Rule 13.23.]~~

~~[(e)]~~ (f)(i) The Exchange [i]Invoice [tendered by the Deliverer to the Receiver] shall include if applicable, an adjustment charge for storage for each day beyond the [d]Date of [d]Delivery (not in excess of thirty (30) days) which has been prepaid by the Deliverer.

(ii) Such adjustments shall be based upon the published rates of the licensed facility in effect on the first (1st) Business Day of the delivery month.

~~[(d) A written notice of demand (of the holding of a Notice of Delivery Information) shall be given by the holder thereof, before 4:00 p.m. on the day on which the notice was issued, to the Clearing Member issuing the delivery notice and to the Exchange. Delivery of the notice of demand shall be made by hand or facsimile transmission or E-mail and shall be accepted as a legal demand for the FCOJ.~~

~~(e) A record shall be kept by the Exchange of the demands delivered each day. The total number of contracts to be so delivered shall be posted daily.~~

~~(f) Failure on the part of a holder of Notice of Delivery Information to deliver his notice of demand shall subject him to a penalty of twenty five dollars (\$25.00) per contract, to be paid to the Deliverer of the FCOJ, the contract to remain in full force.~~

~~(g) The Clearing Member receiving documents required to be delivered to complete delivery shall at once make payment to the Clearing Member presenting the same by an Official Teller's check or wire~~

~~transfer which, unless otherwise mutually agreed upon, must be from a New York bank, the amount due for such FCOJ at the price set forth in the delivery notice.~~

~~(h) The Receiver shall not be required to accept any tender of FCOJ, the weight of which varies more than three percent (3%) from fifteen thousand (15,000) pounds of solids, such total weight to be evidenced in drum delivery by the Packer's Manifest.~~

~~(i) In making payment for the lot, buyer and seller shall also make the adjustments provided for in the Rules; provided, however, that, in connection with deliveries made by shipping certificates, weight adjustments shall be made basis the closing futures price in the then current month on the Business Day before the FCOJ is loaded out to the Receiver.]~~

~~(j) (g) The [buyer] Receiver shall not be charged for containers on any delivery.~~

Rule 13.17. [Reporting Receipts and Deliveries of FCOJ] Reserved

~~[A Clearing Member receiving FCOJ for accounts of Customers and delivering FCOJ at the same time for accounts of other Customers shall file a demand on itself in the manner and form prescribed in Rule 13.13 in order that a proper record may be kept as required by the Receiver of a delivery notice.]~~

Rule 13.20. [Reinspection-Drums] Reserved

~~(a) To the extent that a grade review has not been performed, then this Rule shall apply.~~

~~(b) If the Receiver of a tender of FCOJ in drums wants a reinspection of the FCOJ tendered, he may, not later than thirty (30) calendar days after actual receipt of delivery, appeal to the Board of Citrus Advisors for reinspection by U.S.D.A. inspection. A Receiver applying for a reinspection shall, at the same time, forward a copy of the request to the Deliverer.~~

~~(c) Any Lot of FCOJ not meeting the minimum requirements of the Rules, must be rejected as unfit for delivery and replaced by a Lot of deliverable quality. Such replacement must be made within fourteen (14) calendar days after the result of the appeal becomes known, with all carrying charges paid up to and including the date of replacement. The rejected Lot of FCOJ shall be billed back to the Deliverer as of the date of the original delivery. If the Lot reinspected meets the Exchange requirements for delivery, the cost of reinspection, which includes handling charges in the warehouse, shall be assessed against the appellant. If the Lot is rejected, the aforementioned costs shall be assessed against the Deliverer. The Vice President, Commodity Operations shall issue an Exchange Certificate for a Lot reinspected, as in the case of a Lot inspected for delivery on the basis of the U.S.D.A. Certificate.]~~

Rule 13.21. [Damaged FCOJ] Reserved

~~(a) To the extent that a grade review has not been performed, then this Rule shall apply.~~

~~(b) Any certificated FCOJ in drums damaged in any manner which affects the quality of the product shall not be a good delivery on contract. The decision of Exchange inspectors duly appointed to consider whether a Lot of FCOJ has been damaged shall be final and binding on all Members. Claims by a Receiver against a Deliverer under this Rule must be made within fourteen (14) calendar days from the date of delivery.~~

~~(c) Should any Lot of certificated FCOJ in drums be declared not deliverable by Exchange inspectors, the Deliverer shall make a good delivery of a certificated Lot within seven (7) Business Days.]~~

Rule 13.23. Delivery Claims

(a) All non-disputed delivery Claims filed with the Exchange pursuant to Rules 13.13([i]g) [or 13.16(b)(iii)] shall be paid by the delivering Clearing Member to the receiving Clearing Member within ten (10) Business Days of receipt of the written notification. The delivering Clearing Member shall pay to

the receiving Clearing Member one hundred fifty dollars (\$150) for each contract covered by the notice of delivery. If payment is not made within such ten (10) Business Day period, the delivering Clearing Member shall be assessed a late payment penalty of fifty dollars (\$50) for each contract covered by the notice of delivery for each Business Day the Claim remains unpaid. The late payment penalty shall be assessed by and paid to the Exchange.

[REMAINDER OF RULE UNCHANGED]

Rule 7.61. Licensed Facilities For FCOJ

A ~~[warehouse facility and]~~ tank facility may be licensed for the storage, handling and delivery of FCOJ upon the filing of an application thereof, approved by the FCOJ Warehouse and Delivery Committee and the Board of Governors.

A license so granted shall be subject to such terms and conditions as are approved by the Board of Governors.

Rule 7.62. Licensing of Facilities For Storage and Delivery of FCOJ

(a) Definitions

The following words, when used in these Rules, shall have the meanings set forth below:

~~[1. Warehouse facility: A warehouse having facilities for the storage and delivery of FCOJ in drums.]~~

~~[2]~~1. *Tank facility*: A facility which has the capacity and equipment for the storage and delivery of FCOJ by tank and the demonstrated ability to make daily tank deliveries equivalent to at least eight (8) FCOJ Futures Contracts. For purposes of this Rule, the term “Daily Tank Deliveries” means tank deliveries in the appropriate volume during regular business hours on any day that the Exchange is open for business.

~~[3]~~2. *Facility*: A ~~[warehouse facility or]~~ tank facility which may be a single facility.

~~[4]~~3. *Facility operator*: One who operates a facility.

~~[5]~~4. *Facility owner*: One who owns a facility.

~~[6]~~5. *Exchange FCOJ*: FCOJ with respect to which all conditions for delivery have been complied.

~~[7]~~6. ~~[Shipping certificates]~~EWR: ~~[A negotiable certificate issued]~~ The electronic warehouse receipt record created on eCOPS pursuant to Rule 7.76 by a tank facility for Exchange FCOJ stored in its tank. All [shipping certificates] EWRs must be registered on eCOPS. [with the Exchange. To effect such registration, the shipping certificate must be presented by the tank facility to a designated Exchange employee for numbering. Such employee will also review the shipping certificate to confirm that the tank facility has satisfied all financial requirements with a bond or letter of credit acceptable to the Exchange.]

(b) Licensing

A facility may be licensed for the storage, handling and delivery of FCOJ which meets the specifications for delivery in accordance with the Rules and possesses the qualifications set forth therein.

Rule 7.63. Qualifications

* * *

(d) USDA Inspection

* * *

(2) In the conduct of continuous inspection, the USDA may conduct such tests, as they deem necessary, to provide assurance that the FCOJ meets the requirements set forth in Rule 13.02 for FCOJ-A and FCOJ-B. The FCOJ-A includes the origin designation of “Florida”, “Brazil” or “Florida/Brazil” in the following manner:

(A) Tank delivery. On the day of physical delivery of FCOJ by tank delivery, the USDA shall issue a USDA Certificate to the Receiver.

~~[(B) Drum Delivery. The USDA shall issue a USDA Certificate to Deliverer upon inspection and packaging of the drums.]~~

[REMAINDER OF RULE UNCHANGED]

Rule 7.64. Agreements by Facility Operator and Owner

(a) ~~[Compliance with Rules]~~ License and eCOPS Participant Agreements

(i) To be eligible for an Exchange license, the operator and owner of the facility must execute:

(A) an agreement, in the form prescribed by the Exchange, agreeing therein to be subject to:

(1) [The operator and owner of the facility shall abide by and comply with] the Rules, including specifically, the applicability [to] of the Arbitration Rules to the resolution of any controversy between a Licensee and a Member, the storage, handling, inspection and delivery [of] requirements of Exchange FCOJ, and amendments thereto; and

(2) the jurisdiction of the courts of the State of New York and the applicability of the laws of the State of New York to all disputes between the Licensee and the Exchange; and

(B) the applicable eCOPS Participant Agreement.

(b) ~~[Warehouse Receipts and Shipping Certificates]~~ EWRs

~~[(i) The operator of a warehouse facility shall issue a negotiable warehouse receipt for Exchange FCOJ stored by it in drums in the form approved by the Exchange.]~~

~~[(ii) The operator of a tank facility shall issue an [negotiable shipping certificate] EWR for Exchange FCOJ stored by it in tanks in the form approved by the Exchange.]~~

(c) Property Insurance

(i) The operator of a tank facility shall:

(A) insure the FCOJ stored by it for the benefit of the holder of an [shipping certificate] EWR issued by it against the perils covered in an All-Risk policy for the full value thereof and shall furnish evidence thereof to the Exchange and upon request, to any holder of an [certificate] EWR issued by it;

(B) assure that All-Risk policies will be in effect at each tank facility for which it is licensed and that such policies shall continue in full force and effect with respect to the interests of the holders of [shipping certificates] EWRs for the term of each such policy and shall be renewed or replaced for such period that any of said [shipping certificates] EWRs are outstanding, and that the Exchange is named in such policies as either an insured party or loss payee with regard to FCOJ for which EWRs have been issued;

(C) assure that the amount of insurance coverage provided in each such policy will at all times be in an amount adequate to fully cover the interests of the holders of [shipping certificates] EWRs, either by maintaining overall limits adequate to cover all insured property at each tank facility, or

by providing a specific separate policy limit with respect to the interests of holders of [~~shipping certificates~~] EWRs which limit is sufficient to fully cover such interests;

(D) agree in writing that in the event that any loss or damage is paid in full or in part to the tank facility by the insurer, such payment, in preference to any and all other claims, shall be assigned first to any and all claims for FCOJ for which an EWR has been issued;

~~(D)~~E assure that in the event that any loss or damage sustained by a holder of an [shipping certificate] EWR is not payable, or is not payable in full, by the insurer, by reason of any deductible set forth in any such policy, or otherwise, the facility operator will promptly pay such amount.

~~[(ii) The operator of a warehouse facility shall not be required to insure the FCOJ stored in drums for which a warehouse receipt has been issued but shall furnish to the depositor of said FCOJ the insurance rate applicable to the warehouse, and changes in such rate, to enable the holder of the warehouse receipt to insure such property and to seek renewal of such insurance for his own account. The parties may make such other arrangements respecting insurance as may be agreeable to them. If the warehouse consists of more than one (1) section, the insurance rate applicable to each section should be supplied.]~~

(d) *Liability Insurance*

The owner or operator of a licensed facility shall carry legal liability and/or fidelity insurance in such form and in such amount as shall be approved by the Exchange.

(e) *Performance Bond: Letter of Credit*. Limitation of Issuance of [~~Warehouse Receipts and Shipping Certificates~~] EWRs

(1) The owner or operator of a licensed facility shall maintain:

(A) a performance bond with a principal amount of one million dollars (\$1,000,000); or

(B) a letter of credit in the amount of one million dollars (\$1,000,000).

~~(2) [(A) The owner or operator of a licensed facility who maintains a minimum performance bond or letter of credit shall be entitled to issue and have outstanding one hundred (100) certificates and/or receipts.~~

~~(B) If the owner or operator of a licensed facility intends to increase the number of issued and outstanding shipping certificates/receipts, he shall be required to increase his performance bond or letter of credit in accordance with the schedule approved by the Board of Directors.~~

~~(3)~~ Performance bonds shall be in such form as shall be approved by the Exchange and shall be issued by sureties satisfactory to the Exchange.

~~(4)~~3 Letters of credit shall be in such form as shall be approved by the Exchange, shall be in favor of the Exchange, and shall be issued by a bank or financial institution satisfactory to the Exchange. Such letters of credit shall be unconditional and irrevocable and shall be available to be drawn upon by the Exchange by clean sight drafts.

~~[(The Chart below sets forth the Revised Schedule for Shipping Certificates/Warehouse Receipts)]~~

**EXCHANGE SCHEDULE FOR ISSUANCE OF
SHIPPING CERTIFICATES/WAREHOUSE
RECEIPTS***

<i>AMOUNT OF BONDS/ L.O.C.'S</i>	<i>ALLOWABLE # OF SHIPPING CERTIFICATES/ WAREHOUSE RECEIPTS**</i>	<i>\$ COVERAGE PER CONTRACT (IN THOUSANDS)</i>
\$ 1,000,000 (minimum)	100	\$10,000.00
\$ 2,050,000	101-200	\$10,250.00
\$ 3,100,000	201-300	\$10,333.33
\$ 4,150,000	301-400	\$10,375.00
\$ 5,200,000	401-500	\$10,400.00
\$ 6,250,000	501-600	\$10,416.67
\$ 7,300,000	601-700	\$10,428.57

* Chart subject to change by approval of the Board of Governors

** Certificates/Receipts issued in excess of 100, require performance bond or letter of credit coverage to be obtained at a level of \$.70 per pound of solids.

~~(6) The owner or operator of a licensed facility may reduce the amount of the required performance bond when the number of issued and outstanding shipping certificates/receipts have been canceled; provided, however, the reduction does not occur until either thirty (30) days from load-out have elapsed or final decisions regarding Claims against the owner or operator of the licensed facility with respect to such shipping certificates/receipts have been issued and the performance bond does not fall below the required minimum amount as stated in subparagraph (e)(1)(A) of this Rule.]~~

(f) *Tariffs*

* * *

(2) For purposes of this Rule, the ninety (90) day period shall be deemed to begin on the date that the ~~[Vice President]~~ Office of Commodity Operations receives the written tariff increase request.

(3) Thereafter, the Exchange shall cause the written tariff increase request to be:

- (A) delivered promptly to each member of the Board of Citrus Advisors; and
- (B) posted on the Exchange Website.

(4) Any such tariff increase request shall be considered by the Board of Citrus Advisors during the ninety (90) day period if any member thereof so requests.

(5) All such written tariff increase requests shall become effective from and after the ninetieth (90th) day after receipt unless:

- (A) such request has been considered by the Board of Citrus Advisors during that period in the manner set forth in subparagraph (f)(4) of this Rule; and
- (B) a majority of the whole Board of Citrus Advisors finds such tariff increase unsatisfactory.

In the latter event, notice of the determination that a proposed tariff increase is unsatisfactory shall be given to the Person who requested the tariff increase, posted on the Exchange's Website ~~[and filed with the CFTC pursuant to its Regulations].~~

* * *

(h) *Exchange Surveillance*

The Exchange shall have the authority but not the obligation:

- (i) to observe and inspect the weighing, sampling and other handling of Exchange FCOJ, and

(ii) to count and inspect Exchange FCOJ for comparison with outstanding [~~warehouse receipts and shipping certificates~~] EWRs for Exchange FCOJ.

~~(i)~~ *Handling FCOJ*

~~Exchange FCOJ in drums shall not be handled or sampled by, or at the request of, its owner without the surrender of the warehouse receipt. Any such handling without compliance with the foregoing shall immediately be reported to the Exchange by the warehouse facility.]~~

~~(j)~~ *Records*

~~(i) The operator of a warehouse facility shall keep a record of the exact date when Exchange FCOJ was placed in storage, the amount stored, the location where stored and the warehouse receipts issued therefor and such information shall be recorded on the warehouse receipt when issued.~~

~~(ii)~~ The operator of a tank facility shall keep a record of the amount of Exchange FCOJ stored in tanks for which [~~shipping certificates~~] EWRs have been issued.

~~(k)~~ *Discrimination*

The facility operator shall not charge discriminatory rates for any of its services in storing or handling Exchange FCOJ nor give any rebate of its charges for such services.

~~(H)~~ *Inspection of Records*

All records of a licensed facility pertaining to the storage, handling and inspection of Exchange FCOJ shall be open for inspection by representatives of the Exchange and, at the request of the Exchange, the facility operator shall promptly furnish to the Exchange a statement of stocks, receipts, and deliveries of Exchange FCOJ, the amount of FCOJ for which [~~shipping certificates~~] EWRs are outstanding and such other information relating to the foregoing as the Exchange may require.

~~(m)~~ *Delivery of FCOJ*

Upon the payment or tender of the storage and other charges due to the facility on the FCOJ covered by an [~~warehouse receipt or shipping certificate~~] EWR and the surrender of the [~~warehouse receipt or shipping certificate~~] EWR, the facility operator shall promptly make available to the holder of the [~~warehouse receipt or shipping certificate~~] EWR at the unloading platform or exit door of the facility all FCOJ covered by the [~~warehouse receipt or shipping certificate~~] EWR.

~~(n)~~ *Selection of Samples for Inspection*

The United States Department of Agriculture inspectors shall be permitted to select their own samples in inspecting FCOJ represented by [~~warehouse receipts or shipping certificates~~] EWRs issued by the facility operator.

~~(o)~~ *Notification of Damage*

The facility operator shall notify the Exchange immediately by telephone or telegram of any Exchange FCOJ suffering any kind of damage.

~~(p)~~ *Temperature*

The facility operator shall maintain in all tank storage areas where Exchange FCOJ is kept a constant temperature of not more than 30° Fahrenheit; provided, however, that ~~(1)~~ tank deliveries, in accordance with [~~shipping certificates~~] EWRs, shall be made at a maximum of 20° Fahrenheit, ~~and (2) storage areas where Exchange FCOJ is kept in drums be maintained at 20° Fahrenheit or less]~~

~~(q)~~ *Change in Ownership; Financial Impairment*

The facility operator agrees to notify the Exchange promptly in writing of any contemplated change in ownership of the facility or in the identity of the operator thereof as far as possible in advance of any such change and to notify the Exchange in writing without delay in the event of any impairment of capital or of any

other change which would be likely to lower the qualifications of the facility for the continuation of its status as a licensed facility.

~~(f)~~ *Reports of Irregularities*

The facility operator shall report to the Exchange in writing any irregularity or fraud, or neglect or infraction of the Rules by any Member, or any Licensee, that may come to its knowledge, and shall appear before the Exchange, upon request, to give testimony concerning any such irregularity, fraud, neglect or infraction.

~~(s)~~ *Reports, etc. to Government Agencies*

The facility shall make such reports, keep such records and permit such visitations as the Secretary of Agriculture or the CFTC may prescribe, and shall comply with all applicable rules and regulations and orders promulgated by the Secretary of Agriculture and the CFTC. The facility and the aforesaid books and records shall be open at all times to inspection by any representatives of the Secretary of Agriculture, the CFTC, the United States Department of Justice and the Exchange.

~~(f)~~ *Alternate Compliance*

(i) In the event that the Exchange licensed facility operator is not also the owner of the facility, the Licensee may notify the Exchange that in fulfilling its insurance and financial requirement standards under these Rules it is relying on an unlimited guarantee in a form satisfactory to the Exchange from the owner of the facility and/or insurance purchased by the owner of the facility; provided, however, that nothing in this alternative compliance arrangement shall be deemed to lessen the duties of a Licensee under the Rules.

(ii) Any licensed facility in meeting these Working Capital, net worth and letter of credit (but not performance bond) requirements may provide substituted compliance by an affiliate of the licensed facility provided that such affiliate executes and delivers an unconditional guarantee in such form and with such safeguards as are satisfactory to the FCOJ Warehouse and Delivery Committee.

~~(a)~~ *Non-Operating Owners*

To the extent that the facility operator licensed by the Exchange is a Person other than the owner of the facility, the Exchange, and parties claiming under the Rules, shall look first (1st) to the operator to perform his duties under the Rules. In the event that the operator fails to perform those duties, then the owner of the facility shall assume responsibility for assuring that such duties are performed.

Rule 7.66. Cancellation of License

(a) The Exchange may cancel the license of the facility operator on written notice, effective on any date specified by the Exchange, for violation by the facility operator of any Rule, for any misrepresentation or misstatement in its application for a license, for any impairment of its financial condition in the opinion of the Exchange, or for any other reason which, in the opinion of the Exchange, would make such cancellation advisable.

(b) In the event a license is cancelled by reason of a notice from the facility operator, the effective date of the cancellation shall be fixed by the Exchange at any time within ninety (90) days from the date of the written notice of cancellation by the facility operator.

~~(c) [In the event of the cancellation of a license by the operator of a warehouse facility or by the Exchange, the facility operator shall arrange to transfer the FCOJ in drums represented by its warehouse receipts to another licensed warehouse facility which shall issue its own warehouse receipts and the facility operator transferring FCOJ in drums shall pay all charges which may be incurred in said transfer.~~

~~(d)~~ In the event of a cancellation of a license by the operator of a tank facility, or by the Exchange, the facility operator shall arrange to transfer the FCOJ in tanks represented by its ~~shipping certificates~~

EWRs to another licensed tank facility which shall issue its own [~~shipping certificates~~] EWRs and the facility operator transferring FCOJ in tanks shall pay all charges which may be incurred in said transfer.

Rule 7.67. Arbitration

There shall be submitted to arbitration under the Rules, at the election of either party, any controversy between a facility operator or facility owner and a Deliverer or Receiver of an [warehouse receipt or shipping certificate] EWR for Exchange FCOJ issued by said facility operator. For the purpose of this Rule, a controversy shall include any Claim, grievance or dispute relating to the storage handling, quality or delivery of Exchange FCOJ involving a former or present facility operator granted a license by the Exchange provided, however, that the Claim is made within one (1) year of the alleged grievance, Claim or dispute. Notwithstanding the provisions of this Rule, all Claims relating to the delivery of Exchange FCOJ against a facility operator or facility owner must be made no later than thirty (30) days after load-out.

Rule 7.68. Inconsistent Provisions

If any agreement between a facility operator and the owner of Exchange FCOJ or if any provisions of any [warehouse receipt or shipping certificate] EWR is inconsistent with the provisions of the Rules, the provisions of these Rules shall control.

Rule 7.69. Application for a License as a Warehouse Facility and/or Tank Facility

The application shall be in the following form, provided that where the applicant has more than one (1) location, a separate application is required for each location:

Application for License as [Warehouse Facility and/or] Tank Facility

TO: THE NEW YORK BOARD OF TRADE®

Gentlemen:

We _____, operator and owner of the facility located at _____, do hereby make application to the New York Board of Trade (the "Exchange") for a license as a [warehouse facility and/or] tank facility for the storage, handling and delivery of frozen concentrated orange juice ("FCOJ") pursuant to futures contracts made on the Exchange. By signing this Agreement, the operator, and (in cases in which the owner of the facility is a different Person than the operator) the owner agree:

(A) that they have read the Rules of the Exchange and acknowledge that they are bound by such By-Laws and Rules, and any amendments thereto; the term "Rule," as used herein, means any by-law, rule, regulation, resolution, order, procedures or interpretation of the Board of Governors or any committee of the Exchange; and specifically

(B) that they are bound by the results of grade reviews performed by the USDA;

(C) that representatives of the Exchange shall have full access to all records of USDA inspections and grade reviews;

(D) that they are subject to the Exchange's arbitration jurisdiction and bound by any decision respecting them thereunder;

(E) that they consent to the jurisdiction of the courts of the State of New York and the applicability of the laws of the State of New York to all disputes between the operator and owner and the Exchange;

~~(E)~~ that they acknowledge that financial requirements are subject to change by the Exchange's Board of Governors from time to time; and

(~~F~~)G that they are subject to disciplinary proceedings for the violation of any Rule of the Exchange[. The term "Rule," as used herein, means any by law, rule, regulation, resolution, order, procedures or interpretation of the Board of Governors or any committee of the Exchange. T]; the Exchange's Disciplinary Rules shall govern such disciplinary proceedings.

The following documents are enclosed:

- (1) A copy of the financial statement as of the end of the last fiscal period (_____, 20____) certified by an independent public accountant.
- (2) A copy of the liability insurance policy which terminates on _____.
- (3) A copy of the performance bond which terminates on _____.
- (4) A copy of the All Risk policy which terminates on _____. [~~This is required for tank facilities but not warehouse facilities (See Rule 7.64(e))~~].
- (5) A copy of the current tariff listing the detailed charges applicable to the handling, storage, sampling, inspection, delivery of FCOJ and other charges.
- (6) [~~A copy of the warehouse receipt or shipping certificate, as applicable.~~
- (7) Original letters of credit in the principal amount of \$_____.

We agree that at least thirty (30) days before the expiration date or prior termination of the liability insurance policy or the performance bond (and for tank facilities, the All Risk policy) in effect at any time, we will furnish to you copies of the replacement policy or bond so that insurance or such bond shall be in effect at all times during which [~~warehouse receipts or shipping certificates~~] EWRs issued by us while licensed by you are outstanding.

Dated: _____ Dated: _____

Print Name of Facility Owner

Print Name of Applicant

By: _____ By: _____

Title

Title

The foregoing application is approved by the FCOJ Warehouse and Delivery Committee.

Dated: _____ By: _____

Chairman

Approved by the Board of Governors.

Dated: _____ By: _____

Corporate Secretary

Rule 7.70. Inspection of FCOJ

(a) ~~Drums~~

~~Inspection of FCOJ in drums shall be made by USDA Inspectors who shall issue a Certificate of Quality and Condition which shall show the date of the USDA inspection, the grade, the Brix value, the Score, the Brix ratio and the numbers of each drum in the lot. On the basis of the USDA Certificate of Quality and Condition, the Exchange shall issue a Certificate certifying that the specifications set forth in the USDA Certificate comply with the requirements for delivery under the Rules.~~

(b) ~~Tanks~~

~~(i) At the time of delivery of FCOJ in tanks under the Rules, a shipping certificate representing the document of title transferred by the seller to the buyer shall not be accompanied by an Exchange Certificate.~~

~~(ii) However, a~~At the time of the physical delivery of FCOJ upon surrender of an ~~[shipping certificate]~~ EWR, the tank facility operator shall cause samples to be made available to USDA Inspectors from the tank or tanks containing the FCOJ to be delivered so that the USDA Inspectors may issue a Certificate of Quality and Condition. Said USDA Certificate shall be provided on the spot to the tank facility and the bearer of the ~~[shipping certificate]~~ EWR.

(~~e~~)b) General

(i) Remedies

In the event that any FCOJ delivered pursuant to an ~~[warehouse receipt or a shipping certificate]~~ EWR fails to pass a grade review, the Clearing Member which took delivery (“Receiver”) shall have the following remedies against the facility which issued the ~~[warehouse receipt or shipping certificate]~~ EWR:

(A) Surrender of the FCOJ which failed the grade review and replacement by FCOJ which meets a grade review, and the facility shall pay all costs associated with such surrender and replacement:
or

(B) In lieu of replacement, the Receiver may demand payment to the Member Firm of the actual damages suffered by the Member Firm.

[REMAINDER OF RULE UNCHANGED]

Rule 7.71. [~~Certificate of Deliverable FCOJ; Request for Exchange Certificate~~] Reserved

~~[To the New York Board of Trade~~

Gentlemen:

We enclose a photocopy of a ~~Certificate of Quality and Condition issued by the Inspectors of the United States Department of Agriculture setting forth the specifications of quality and condition required for delivery of FCOJ in drums under the Rules of the Exchange, identified as follows:~~

USDA Certificate No. _____ Lot # _____

Date of USDA Certificate _____

Drum# _____ Agv. _____

Brix _____ Stored In _____

Total Net. Wt. Lbs. _____

Please issue a certificate signed by the representative of the Exchange certifying that the specifications set forth in the USDA Certificate of Quality and Condition comply with the requirements for delivery under the By Laws, Rules and Regulations of the Exchange.

Very truly yours,

Company Name and Address
By _____

Title

EXCHANGE CERTIFICATE

~~This is to certify that USDA Inspectors have graded the lot of FCOJ referred to in the above Request and have issued a Certificate of Quality and Condition numbered and dated as shown above and that the specifications set forth in said Certificate comply with the requirements of the By Laws, Rules and Regulations of the Exchange for delivery of FCOJ under contracts for future delivery made on the Exchange.~~

~~This certificate is valid for the delivery of a uniform Lot of FCOJ in discharge of a contract for the future delivery of FCOJ made on the Exchange for a period from the date of the issuance of the USDA Certificate until the end of the month following the expiration of one (1) year from said date.~~

NEW YORK BOARD OF TRADE

By: _____

[Vice President Commodity Operations]

Rule 7.72. [Charges for Certification of FCOJ] Reserved

~~[(a) The Charges for a FCOJ Exchange certification shall be fixed and determined by the Board of Governors upon the recommendation of the Board of Citrus Advisors.~~

~~(b) All shipping certificates require a \$25 certification fee under this Rule.]~~

Rule 7.74. [Drums and] Tanks for FCOJ

~~[(a) Every unit of FCOJ which is stored in drums shall be made of fifty five (55) gallon steel drums with a double liner. Each liner shall be a minimum of two (2) mills in thickness and these liners shall be tied in a manner acceptable to the United States Department of Agriculture. Each drum shall be numbered.~~

~~The following drum condition specifications shall be applicable upon the delivery of FCOJ under the terms of the contract:~~

SIZE:

~~Fifty five (55) Gallon rated capacity~~

TARE WEIGHT:

~~Minimum tare weight shall be forty (40) pounds (includes drum, lid, liners and clamp ring).~~

HEIGHT OVERALL:

~~Optional, but not to exceed range of thirty two (32) — thirty six (36) inches. Each four (4) drums on a pallet will be of comparable height. Variance between drums on same pallet cannot exceed 1/2 inch.~~

~~EXTERIOR OF DRUMS AND LIDS:~~

~~The exterior surface area of each drum and lid may not show dirt, product, rust, loose or flaking paint, or objectionable unpainted spots.~~

~~INTERIOR OF DRUMS AND LIDS:~~

~~Drums and lids must be clean and in good condition, completely free of product and all foreign materials (rust, loose or flaking paint, etc.). Surface must be painted, giving a smooth coverage, free of blisters, puddles or bare spots.~~

~~DENTS:~~

~~Free of dents that seriously affect the service and usability of the container. Slight dents permitted provided overall effect does not distract from appearance of drum. Internal and external surfaces to be free of pits.~~

~~LINER:~~

~~(i) Poly liners (each 2 minimum) must be of minimum 2 mil. strength equivalent. Poly liners must have at least six (6) inches remaining after bag is closed or tied. Product appearing on outside of bag will be considered evidence of an improperly tied or broken bag and not in acceptable condition.~~

~~(ii) Every unit of FCOJ which is stored in tanks and eligible for delivery by [shipping certificates] EWRs under the Rules shall be stored in tanks acceptable to the United States Department of Agriculture.~~

Rule 7.75. [Warehouse Receipts] Reserved

~~[After FCOJ has been placed in a licensed public warehouse in drums, negotiable warehouse receipts stating the number on the drums for identification shall be issued to the owner of the Lot. No receipt for more than one (1) contract unit shall be issued. Receipts shall be numbered consecutively conforming to that adopted by the Board of Citrus Advisors and approved by the Board of Governors.]~~

Rule 7.76. [Shipping Certificate] Delivery Obligations of Facility Issuing An EWR

(a) The form of an FCOJ [~~Shipping Certificate~~ (hereinafter referred to as the “Certificate”)] EWR shall be prescribed by the Exchange.

(b) An EWR issued by a tank facility must be issued a Certificate of Registration, as defined in Rule 13.13(a)(1), in order to be eligible for delivery.

(c) A tank facility is obligated to keep the storage fees current on all EWRs said facility issues.

(~~b~~)d A tank facility shall deliver to the holder of an [~~Certificate~~] EWR fifteen thousand (15,000) lbs. solids (plus or minus 3%) of FCOJ, specified in the [~~Certificate~~] EWR issued by the tank facility, at the unloading platform of said facility meeting the specifications for deliverable FCOJ under the Rules upon the surrender of the [~~Certificate~~] EWR by the holder and the payment only of all unpaid storage charges due to the facility for periods subsequent to the date of the issuance of the [~~Certificate~~] EWR and of such load-out charges which have not been previously paid to the facility.

(i) The facility agrees to deliver for shipment the FCOJ specified in the [~~Certificate~~] EWR commencing no later than ten (10) calendar days (“Day 10”) and ending no later than thirty (30) Business Days (“Day 30”) after the date of demand by the holder. All requests for delivery made by a single holder or a nominee of that holder within a five (5) day continuous period may be declared to be a batch and will be subject to the same date of demand. For purposes of this Rule, the term “Date of Demand” means the date on which the facility receives the [~~Certificate~~] EWR, or in the case of the batch being declared by the facility, the term “Date of Demand” will refer to the first date of receipt

of the [Certificate] EWR in such declared batch, and the term “Multiple Demand” means demands by the same Person for delivery on two (2) or more [Certificates] EWRs with identical Dates of Demand.

(A) All other Rules that govern the times of delivery may be suspended if a facility requests the FCOJ Warehouse and Delivery Committee to determine if an inappropriate number of requests for delivery during any given period of physical deliveries have been received.

(B) The facility will immediately contact the Exchange. The information regarding delivery requests will be promptly relayed to the FCOJ Warehouse and Delivery Committee. The Committee or a Panel of the Committee appointed by the Chairman of the FCOJ Warehouse and Delivery Committee will decide if an inappropriate number of requests has been made. If they so decide they will set up a schedule of deliveries that will permit all deliveries to occur during a period not to exceed thirty (30) Business Days from the Date of Demand.

(ii) In making deliveries within the time period set forth in the [Certificate] EWR, the facility shall use its best efforts to make prompt deliveries in an orderly manner, including, but not limited to, the making of weekly pro-rata deliveries, beginning during the week within which Day 10 falls, to satisfy Multiple Demands outstanding.

(iii) In the event that the facility is unable to make available FCOJ specified in the [Certificate] EWR before the end of Day 10 then:

(A) the facility shall pay as penalty to the holder one hundred fifty dollars (\$150) a day for each Business Day after Day 10 that the facility is unable to fulfill the [Certificate] EWR;

(iv) The holder and the facility shall use their best efforts to coordinate dates and times within which the FCOJ specified in the [Certificate] EWR will be made available and picked up.

(v) In the event that the facility is unable to make available FCOJ specified in the [Certificate] EWR before the end of Day 30, then:

(A) the facility shall pay as a penalty to the holder one hundred fifty dollars (\$150) a day for each Business Day after Day 30 that the facility fails to fulfill the [Certificate] EWR; and

(B) storage charges incurred through Day 30 remain in effect; however, storage charges arising after Day 30 shall be waived; provided, however, that if the holder does not adhere to the schedule called for in subparagraph (b)(iv) of this Rule, then the above penalty shall not apply and a new Day 10 and/or Day 30 may be commenced on any [Certificate] EWR(s) upon which the schedule was violated.

(vi) In the event that a holder of an [Certificate] EWR presents the [Certificate] EWR to a facility for the purpose of taking delivery of FCOJ in accordance with Exchange Rules, and the holder, prior to delivery, cancels the request for delivery and requests that the facility reissue the [Certificate] EWR, the facility must reissue the [Certificate] EWR as long as the request is made at least forty-eight (48) hours prior to delivery and may charge an administrative fee no greater than one hundred fifty dollars (\$150) for each [Certificate] EWR reissued.

(~~e~~) The facility agrees to deliver for shipment the FCOJ specified in the [~~Certificate~~] EWR at a maximum temperature of 20 degrees Fahrenheit.

(~~d~~) In the event of a failure of the holder of the [Certificate] EWR to pay storage for three (3) months, the facility may reserve the right to sell or dispose of the FCOJ specified in the [Certificate] EWR and claim a lien against the FCOJ specified in the [Certificate] EWR or against the Person entitled under the [Certificate] EWR or on the proceeds thereof in his possession for charges for storage, transportation, loading, handling (including the demurrage and terminal charges), labor and other charges present or future in relation to the goods and for expenses necessary for the preservation of the goods or reasonably incurred in their sale pursuant to law.

~~[(e) The Certificate is subject to conversion to a warehouse receipt requiring delivery by drums of FCOJ specified in the Certificate upon demand of the facility after the expiration of one (1) year from the date of the Certificate. In case of such demand, the facility shall give notice thereof to the holder of the Certificate if its identity and location have been furnished to the facility. The holder of the Certificate should notify the facility of its identity and location not later than one (1) year from the date of the Certificate, failing which, delivery of the FCOJ specified in the Certificate may require conversion to a warehouse receipt prior to its delivery. Notice of the holder's identity and location shall be held confidential by the facility.]~~

~~[(f)g](i) The [Certificate] EWR may not be tendered in satisfaction of an Exchange contract under the Rules unless the [Certificate] EWR has been registered and assigned a number by [the Exchange's Office of Commodity Operations] eCOPS.~~

~~(ii) The Rules limit the number of [Certificates] EWRs that the Exchange is obligated to register.~~

~~[(g)i] [Unless the Certificate is signed, registered and properly endorsed by the Exchange's Office of Commodity Operations with the Exchange seal, it may not be used for Exchange purposes.]~~

~~[(h)] The [Certificate] EWR may only be cancelled [upon notice to the Exchange's Office of Commodity Operations] in accordance with eCOPS procedures.~~

Rule 7.77. Registration of [Shipping Certificate] EWR

~~[Shipping certificates] EWRs, in order to be eligible for delivery, must be registered and assigned a number by [the Exchange with the Exchange's Office of Commodity Operations] eCOPS. [Shipping certificates] EWRs shall be subject to the following:~~

~~(a) when an [shipping certificate] EWR has been registered and assigned a number by the [Exchange's Office of Commodity Operations] eCOPS, said [certificate] EWR shall be considered to be "outstanding" until its registration is cancelled by the Exchange licensed facility which issued the [certificate] EWR. The Exchange's Office of Commodity Operations shall maintain a current record of the number of [shipping certificates] EWRs outstanding and shall post this record on the Exchange's web site. In the event of a cancellation of an [certificate] EWR the following procedures must be adhered to:~~

~~(1) when the facility pumps out Exchange FCOJ in satisfaction of an [shipping certificate] EWR, the [certificates] EWRs must be cancelled by the Exchange licensed facility [and they must provide written notice to the Exchange's Office of Commodity Operations] on eCOPS;~~

~~(2) when an Exchange licensed facility regains control of an outstanding [shipping certificate] EWR issued by it, for its own proprietary account, such [shipping certificates] EWRs may be cancelled [only upon notice to the Exchange's Office of Commodity Operations] by the licensed facility on eCOPS.~~

~~[(b) All mandatory cancellations must be reported to the Exchange's Office of Commodity Operations daily and/or upon demand by the Exchange's Office of Commodity Operations.]~~

[Rule 7.79. Conversion of Shipping Certificate

~~(a) If any shipping certificate issued by a licensed tank facility remains outstanding after the expiration of one (1) year from the date of its issue, said certificate may, at any time thereafter, be converted to a warehouse receipt upon demand of the tank facility operator which issued said shipping certificate.~~

~~(b) Notice of the demand shall be mailed by the tank facility operator to the holder of the shipping certificate by registered or certified mail, return receipt requested, requiring surrender of the shipping certificate in exchange for a warehouse receipt. Said notice of demand shall contain the tank facility number, the shipping certificate number and date of issuance of the shipping certificate.~~

~~(c) A copy of the aforesaid notice of demand by the tank facility operator shall be mailed to the Exchange at the same time as the notice is sent to the holder of the shipping certificate.~~

~~(d) The holder of the shipping certificate shall surrender it for conversion within twenty (20) days from the date of the mailing of the notice of demand, failing which, the FCOJ stored in tanks may be removed and stored in drums for which a warehouse receipt will be issued and exchanged for the shipping certificate when surrendered.~~

~~(e) Upon completion of the aforesaid conversion, the tank facility operator shall [notify the Exchange that the aforesaid shipping certificate is no longer in effect after which the registration of said certificate by the Exchange shall be cancelled.~~

~~(f) The warehouse receipt issued in exchange for the shipping certificate shall be in the form of a warehouse receipt required by the Exchange for the storage of FCOJ meeting the requirements for delivery by warehouse receipt under the Rules.~~

~~(g) If the tank facility operator does not know or cannot ascertain the identity of the current certificate holder, it shall notify the Exchange that it wishes to give the aforesaid notice of demand to the holder of the shipping certificate, identifying said shipping certificate. In such case, the Exchange shall give notice to all Members and to all Clearing Members requesting the name and address of the holder of the shipping certificate. Information received by the Exchange as to the name and address of the current certificate holder shall be given to the tank facility operator.~~

~~(h) The delivery of a warehouse receipt to the holder of a shipping certificate pursuant to a conversion under this Rule shall not be deemed an Exchange delivery; however, all the provisions of the Rules relating to the quality and condition of the FCOJ and the inspection thereof, shall be complied with as a condition to the issuance of the warehouse receipt so that the FCOJ represented by the warehouse receipt qualifies for subsequent Exchange delivery.]~~