

from Fur Act requirements because they contain only a small amount of fur. The amendments announced herein conform the Fur Rules to the amended Fur Act by making clear that the exemption from the Fur Act does not apply to dog and cat fur products. Because the amendments are technical in nature and merely incorporate the statutory change, the Commission finds that notice and comment are not required. See 5 U.S.C. 553(b). For this reason, the requirements of the Regulatory Flexibility Act also do not apply. See 5 U.S.C. 603, 604.

EFFECTIVE DATE: The amended Rules are effective January 29, 2001.

ADDRESSES: Requests for copies of the amended Rules should be sent to the Consumer Response Center, Room 202, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, DC 20580. The notice announcing the amendments is available on the Internet at the Commission's website: <http://www.ftc.gov>.

FOR FURTHER INFORMATION CONTACT: Carol Jennings, Attorney, (202) 326-3010, cjennings@ftc.gov, or Stephen Ecklund, Senior Investigator, (202) 326-2841, secklund@ftc.gov, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580.

SUPPLEMENTARY INFORMATION: The Fur Products Labeling Act (Fur Act), 15 U.S.C. 69, and Commission rules pursuant to the Act, 16 CFR Part 301, require that sellers of covered fur products mark each product to show: (1) The name of the animal that produced the fur; (2) that the fur product contains or is composed of used fur, if such is the fact; (3) that the fur product contains or is composed of artificially colored fur, if such is the fact; (4) that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, if such is the fact; (5) the name under which the manufacturer or other responsible company does business, or in lieu thereof, the RN issued to the company by the Commission; and (6) the country of origin of imported furs. The statute and rules also include advertising and recordkeeping requirements. The Fur Act authorizes the Commission to exempt products containing a relatively small amount or value of fur. Accordingly, section 301.39(a) of the Fur Rules exempts from rule requirements fur products for which either the cost to the manufacturer of the fur contained in the product or the manufacturer's selling

price of the product does not exceed \$150.¹

The Dog and Cat Protection Act of 2000, Pub. L. 106-476, prohibits importing, exporting, manufacturing, selling, advertising, transporting, or distributing any dog or cat fur product. Violations may result in the imposition of civil penalties ranging from \$3,000 to \$10,000 for each separate violation; forfeiture of the illegal products; and debarment from importing, exporting, manufacturing, transporting, distributing, or selling any fur product in the U.S.

In addition, the Dog and Cat Protection Act amends the Fur Act, 16 U.S.C. 69(d), to exclude dog and cat fur products from those items the Commission is authorized to exempt from the labeling and other requirements of the Fur Act and implementing regulations. The amendments to the Fur Rules announced herein implement this amendment to the Fur Act.

List of Subjects in 16 CFR Part 301

Furs, Labeling, Trade Practices.

For the reasons set forth above, the Commission amends 16 CFR Part 301 as follows:

PART 301—RULES AND REGULATIONS UNDER THE FUR PRODUCTS LABELING ACT

1. The authority citation for Part 301 continues to read as follows:

Authority: 15 U.S.C. 69 *et seq.*

2. Section 301.1(a) is amended by adding paragraphs (6), (7), and (8) to read as follows:

§ 301.1 Terms defined.

(a) * * *

(6) The term *cat fur* means the pelt or skin of any animal of the species *Felis catus*.

(7) The term *dog fur* means the pelt or skin of any animal of the species *Canis familiaris*.

(8) The term *dog or cat fur product* means any item of merchandise which consists, or is composed in whole or in part, of any dog fur, cat fur, or both.

3. In § 301.39, the second sentence of paragraph (a) is revised to read as follows:

§ 301.39 Exempted fur products.

(a) * * * The exemption provided for herein shall not be applicable: (1) to any dog or cat fur product; (2) if any false, deceptive, or misleading representations

¹ In 1998, the exemption amount was raised from \$20 (set in 1969) to the current level of \$150. 63 FR 7508, 7514 (Feb. 13, 1998).

as to the fur contained in the fur product are made; or (3) if any representations as to the fur are made in labeling, invoicing, or advertising without disclosing: (i) in the case of labels, the information required to be disclosed under section 4(2)(A), (C), and (D) of the Act; (ii) in the case of advertising, the information required to be disclosed under section 5(a)(1), (3), and (4) of the Act; and (iii) in the case of invoicing, the information required to be disclosed under section 5(b)(1)(A), (C), and (D) of the Act.

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By direction of the Commission.

Donald S. Clark,

Secretary.

[FR Doc. 00-33026 Filed 12-27-00; 8:45 am]

BILLING CODE 6750-01-M

COMMODITY FUTURES TRADING COMMISSION

17 CFR Part 1

RIN 3038-AB56

Investment of Customer Funds

AGENCY: Commodity Futures Trading Commission.

ACTION: Final rules; change of effective date.

SUMMARY: The Commodity Futures Trading Commission (Commission) is moving forward the effective date of its recent rule amendments concerning the investment of customer funds by futures commission merchants (FCMs) and clearing organizations to permit FCMs and clearing organizations to engage in the expanded investment activity at an earlier date. The Commission is also making certain technical corrections to the rule amendments.

DATES: The revision of § 1.25 published on December 13, 2000 (65 FR 77993) as amended by this rule is effective December 28, 2000. The revision of § 1.26 and the amendments to §§ 1.20, 1.27, 1.28 and 1.29 published on December 13, 2000 (65 FR 77993) are effective December 28, 2000.

FOR FURTHER INFORMATION CONTACT: Lawrence B. Patent, Associate Chief Counsel, Paul H. Bjarnason, Jr., Special Advisory for Accounting Policy, or Ky Tran-Trong, Attorney-Advisor, Division of Trading and Markets, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW., Washington, DC 20581. Telephone: (202) 418-5450.

SUPPLEMENTARY INFORMATION:

I. Background

On December 13, 2000, the Commission published final rules and rule amendments in the **Federal Register** revising its rules relating to intermediation of commodity futures and commodity options (commodity interest) transactions.¹ As part of the new rules and rule amendments, the Commission has amended Rule 1.25 to expand the range of instruments in which FCMs and clearing organizations may invest customer funds to include such highly liquid and readily marketable instruments as certain sovereign debt, agency debt, money market mutual funds, and corporate notes (permitted investments). Additional provisions to minimize credit, volatility and liquidity risk have also been adopted. Previously, investments of customer funds had been limited to U.S. government securities, municipal securities, and instruments fully guaranteed as to principal and interest by the U.S. government. When the Commission proposed the amendments to Rule 1.25, it stated that “an expanded list of permitted investments could enhance the yield available to FCMs, clearing organizations and their customers without compromising the safety of customer funds.”²

As provided in the adopting release, the new rules and rule amendments relating to intermediaries, including the changes to Rule 1.25, are to become effective on February 12, 2001.³ The Commission established an effective date 60 days following publication in the **Federal Register** for the new rules and rule amendments relating to intermediaries, as well as for the other elements of regulatory reform adopted simultaneously by the Commission,⁴ to allow time for entities affected by the rule changes to make the necessary adjustments to their operations. The Commission has been apprised by the futures industry, however, that the implementation of new Rule 1.25 does not require such a lengthy delay, and that it may be more efficient if FCMs are permitted to implement the rule revisions relating to Rule 1.25 on an earlier date.⁵ The Commission agrees

with the industry request and has determined to move forward the effective date for the amendments to Rule 1.25 to December 28, 2000. The Commission has further determined to move forward the effective date of related amendments to Rules 1.20 and 1.26–1.29.⁶

II. Technical Corrections

Paragraph (a) of Rule 1.25 sets forth the types of permissible investments of customer funds, e.g., U.S. Treasury obligations, commercial paper, corporate notes. Each type of investment must meet certain quality requirements, including requirements for marketability, credit ratings, restrictive features and concentration limitations. Currently, these quality requirements are all contained in separate provisions of paragraph (b) of the rule, except for the requirements regarding sovereign debt, which are contained in paragraph (a)(1)(vii). The Commission believes that this placement could be confusing. Therefore, in order to clarify Rule 1.25, the requirements for all types of permitted investments are now placed together, in the same paragraphs, as follows: (i) the requirement that foreign sovereign debt be rated in the highest category by at least one nationally recognized statistical rating organization has been moved from paragraph (a)(1)(vii) to paragraph (b)(2)(i)(D) and, concurrently, the reference to permit sovereign debt contained in paragraph (b)(2)(i)(A) is no longer necessary and, therefore, has been deleted; and (ii) the requirement that investments in a particular country’s sovereign debt be limited to amounts owed in that currency has been moved from paragraph (a)(1)(vii) to paragraph (b)(4)(i)(D).

III. Other Matters

The Commission has determined that there is good cause to move forward the effective date of the amendments to Rule 1.25, as well as the amendments to Rules 1.20 and 1.26–1.29, and to make the clarifying revisions discussed above to Rule 1.25 because it is not contrary to the public interest to permit FCMs and clearing organizations to invest customer funds in an expanded range of permissible investments. Such investments could potentially provide a higher yield to those FCMs and clearing

organizations without compromising the safety of customer funds. The Commission has further determined that these rules may be made effective less than 30 days following their date of publication in the **Federal Register** because these are substantive rules that relieve a restriction on those FCMs and clearing organizations seeking to invest customer funds in a wider range of financial instruments.⁷

List of Subjects in 17 CFR Part 1

Brokers, Commodity futures, Consumer protection, Reporting and recordkeeping requirements.

In consideration of the foregoing, and pursuant to the authority contained in the Commodity Exchange Act, and in particular, Sections 4(c), 4d(2) and 8a(5) thereof, 7 U.S.C. 6(c), 6d(2) and 12a(5), the Commission hereby makes the amendments to rules 1.20 and 1.25 through 1.29 that were published on December 13, 2000 at 65 FR 77993, 78009–13 as further amended in this release, effective December 28, 2000.

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 1.25 is amended by revising paragraphs (a)(1)(vii), (b)(2)(i)(A) and (b)(2)(i)(C), by redesignating paragraph (b)(2)(i)(D) as paragraph (b)(2)(i)(E), by adding a new paragraph (b)(2)(i)(D), by revising paragraph (b)(4)(i)(A) and by adding a new paragraph (b)(4)(i)(D). For the convenience of the reader, printed below is revised paragraph (a)(1)(vii) as well as the complete paragraphs (b)(2)(i) and (b)(4)(i) as revised:

§ 1.25 Investment of customer funds.

- (a) * * *
- (1) * * *
- (vii) General obligations of a sovereign nation; and
- * * * * *
- (b) * * *
- (2) *Ratings.* (i) *Initial requirement.*

Instruments that are required to be rated by this section must be rated by a nationally recognized statistical rating

⁷ 5 U.S.C. 553(d) generally provides that the publication or service of a substantive rule shall not be made less than 30 days before its effective date, except for: (1) a substantive rule which grants or recognizes an exemption or relieves a restriction; (2) interpretative rules and statements of policy; or (3) as otherwise provided by the agency for good cause found and published with the rule.

¹ 65 FR 77993.

² 65 FR 39008, 39014 (June 22, 2000).

³ 65 FR at 77994.

⁴ See A New Regulatory Framework for Multilateral Transaction Execution Facilities, Intermediaries and Clearing Organizations, 65 FR 77962 (Dec. 13, 2000); A New Regulatory Framework for Clearing Organizations, 65 FR 78020 (Dec. 13, 2000); Exemption for Bilateral Transactions, 65 FR 78030 (Dec. 13, 2000).

⁵ The Commission also notes that although publication of the amended Rule 1.25 appeared in

the **Federal Register** on December 13, 2000, it has been available on the Commission’s website since the Commission adopted it on November 22, 2000.

⁶ Elsewhere in this edition of the **Federal Register**, the Commission is publishing a release announcing the withdrawal of the other rules and rule amendments that were part of the Commission’s regulatory reform package.

organization (NRSRO), as that term is defined in § 270.2a-7 of this title. For an investment to qualify as a permitted investment, ratings are required as follows:

(A) U.S. government securities need not be rated;

(B) Municipal securities, government sponsored agency securities, certificates of deposit, commercial paper, and corporate notes, except notes that are asset-backed, must have the highest short-term rating of an NRSRO or one of the two highest long-term ratings of an NRSRO;

(C) Corporate notes that are asset-backed must have the highest ratings of an NRSRO;

(D) Sovereign debt must be rated in the highest category by at least one NRSRO; and

(E) Money market mutual funds that are rated by an NRSRO must be rated at the highest rating of an NRSRO.

* * * * *

(4) *Concentration and other limitations.* (i) *Direct investments.* (A) U.S. government securities and money market mutual funds shall not be subject to a concentration limit or other limitation.

(B) Securities of any single issuer of government sponsored agency securities held by a futures commission merchant or clearing organization may not exceed 25 percent of total assets held in segregation by the futures commission merchant or clearing organization.

(C) Securities of any single issuer of municipal securities, certificates of deposit, commercial paper, or corporate notes held by a futures commission merchant or clearing organization may not exceed 5 percent of total assets held in segregation by the futures commission merchant or clearing organization.

(D) Sovereign debt is subject to the following limits: a futures commission merchant may invest in the sovereign debt of a country to the extent it has balances in segregated accounts owed to its customers denominated in that country's currency; a clearing organization may invest in the sovereign debt of a country to the extent it has balances in segregated accounts owed to its clearing member futures commission merchants denominated in that country's currency.

* * * * *

Issued in Washington, DC on December 21, 2000 by the Commission.

Jean A. Webb,

Secretary of the Commission.

[FR Doc. 00-32976 Filed 12-27-00; 8:45 am]

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COMMODITY FUTURES TRADING COMMISSION

17 CFR Parts 1, et al.

A New Regulatory Framework for Multilateral Transaction Execution Facilities, Intermediaries and Clearing Organizations; Rules Relating to Intermediaries of Commodity Interest Transactions; A New Regulatory Framework for Clearing Organizations; Exemption for Bilateral Transactions

AGENCY: Commodity Futures Trading Commission.

ACTION: Final Rules; partial withdrawal.

SUMMARY: On December 13, 2000 (65 FR 77962; 65 FR 77993, 65 FR 78020, 65 FR 78030), the Commission issued final rules promulgating a new regulatory framework to apply to multilateral transaction execution facilities, to market intermediaries and to clearing organizations. Due to the enactment of statutory revisions to the Commodity Exchange Act, the Commission is withdrawing these final rules with the exception of amendments to the Commission's rule concerning investment of customer funds, Rule 1.25, and conforming amendments to related rules (Rules 1.20, and 1.26-1.29). See 65 FR 78009-78013. The Commission is publishing a separate release elsewhere in this edition of the **Federal Register** concerning those rules.

DATES: As of December 28, 2000, the final rule published on December 13, 2000 (65 FR 77962) is withdrawn.

As of December 28, 2000, the final rule published on December 13, 2000 (65 FR 78020) is withdrawn.

As of December 28, 2000, the final rule published on December 13, 2000 (65 FR 78030) is withdrawn.

As of December 28, 2000, the final rule published on December 13, 2000 (65 FR 77993) is withdrawn, with the following exceptions:

The revision of 17 CFR 1.25, as amended on December 28, 2000, which is effective December 28, 2000;

The revision of 17 CFR 1.26, which is effective December 28, 2000; and

The amendments to 17 CFR 1.20, 1.27, 1.28 and 1.29, which are effective December 28, 2000.

FOR FURTHER INFORMATION CONTACT: Jean A. Webb, Secretary of the Commission, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW., Washington, DC 20581, (202) 418-5100.

Issued in Washington, DC on December 21, 2000 by the Commission.

Jean A. Webb,

Secretary of the Commission.

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DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Parts 100 and 165

[USCG-2000-8541]

Safety Zones, Security Zones, and Special Local Regulations

AGENCY: Coast Guard, DOT.

ACTION: Notice of temporary rules issued.

SUMMARY: This document provides required notice of substantive rules adopted by the Coast Guard and temporarily effective between July 1, 2000 and September 30, 2000 which were not published in the **Federal Register**. This notice also contains 9 temporary final rules issued during the period of April 1, 2000, thru June 30, 2000, that were not included in the docket USCG 2000-7757. This quarterly notice lists temporary local regulations, security zones, and safety zones of limited duration and for which timely publication in the **Federal Register** was not possible.

DATES: This notice lists temporary Coast Guard regulations that became effective and were terminated between April 1, 2000, and September 30, 2000.

ADDRESSES: The Docket Management Facility maintains the public docket for this notice. Documents indicated in this notice will be available for inspection or copying at the Docket Management Facility, U.S. Department of Transportation, Room PL-401, 400 Seventh Street SW., Washington, DC 20593-0001 between 9 a.m. and 5 p.m., Monday through Friday, except Federal Holidays. You may electronically access the public docket for this notice on the Internet at <http://dms.dot.gov>.

FOR FURTHER INFORMATION CONTACT: For questions on this notice, contact Lieutenant Bruce Walker, Office of Regulations and Administrative Law, telephone (202) 267-6233. For questions on viewing, or on submitting material to the docket, contact Dorothy Beard, Chief, Dockets, Department of Transportation (202) 866-9329.

SUPPLEMENTARY INFORMATION: District Commanders and Captains of the Port (COTP) must be immediately responsive to the safety needs of the waters within