

sets out the criteria for such activities. The rule further provides that the prohibitions of paragraph (a) of the rule do not apply to activities associated with routine road maintenance provided that a state or local program has been approved by NMFS to be in accordance with the salmon and steelhead 4(d) rule (65 FR 42422, July 10, 2000).

Dated: March 8, 2002.

Phil Williams,

Acting Chief, Endangered Species Division, Office of Protected Resources, National Marine Fisheries Service.

[FR Doc. 02-6069 Filed 3-12-02; 8:45am]

BILLING CODE 3510-22-S

COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

Adjustment of Import Limits for Certain Cotton, Wool and Man-Made Fiber Textile Products Produced or Manufactured in Guatemala

March 8, 2002.

AGENCY: Committee for the Implementation of Textile Agreements (CITA).

ACTION: Issuing a directive to the Commissioner of Customs adjusting limits.

EFFECTIVE DATE: March 13, 2002.

FOR FURTHER INFORMATION CONTACT: Naomi Freeman, International Trade Specialist, Office of Textiles and Apparel, U.S. Department of Commerce, (202) 482-4212. For information on the quota status of these limits, refer to the Quota Status Reports posted on the bulletin boards of each Customs port, call (202) 927-5850, or refer to the U.S. Customs website at <http://www.customs.gov>. For information on embargoes and quota re-openings, refer to the Office of Textiles and Apparel website at <http://otexa.ita.doc.gov>.

SUPPLEMENTARY INFORMATION:

Authority: Section 204 of the Agricultural Act of 1956, as amended (7 U.S.C. 1854); Executive Order 11651 of March 3, 1972, as amended.

The current limits for certain categories are being increased for carryover.

A description of the textile and apparel categories in terms of HTS numbers is available in the **CORRELATION:** Textile and Apparel Categories with the Harmonized Tariff Schedule of the United States (see **Federal Register** notice 66 FR 65178, published on December 18, 2001). Also

see 66 FR 54983, published on October 31, 2001.

William J. Dulka,

Acting Chairman, Committee for the Implementation of Textile Agreements.

Committee for the Implementation of Textile Agreements

March 8, 2002.

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

Dear Commissioner: This directive amends, but does not cancel, the directive issued to you on October 25, 2001, by the Chairman, Committee for the Implementation of Textile Agreements. That directive concerns imports of certain cotton, wool and man-made fiber textile products, produced or manufactured in Guatemala and exported during the period which began on January 1, 2002 and extends through December 31, 2002.

Effective on March 13, 2002, you are directed to increase the current limits for the following categories, as provided for under the Uruguay Round Agreement on Textiles and Clothing:

Category	Adjusted twelve-month limit ¹
340/640	2,235,436 dozen.
347/348	2,676,676 dozen.
351/651	471,552 dozen.
443	76,980 numbers.
448	52,943 dozen.

¹The limits have not been adjusted to account for any imports exported after December 31, 2001.

The Committee for the Implementation of Textile Agreements has determined that these actions fall within the foreign affairs exception of the rulemaking provisions of 5 U.S.C. 553(a)(1).

Sincerely,
William J. Dulka,
Acting Chairman, Committee for the Implementation of Textile Agreements.

[FR Doc. 02-6075 Filed 3-12-02; 8:45 am]

BILLING CODE 3510-DR-S

COMMODITY FUTURES TRADING COMMISSION

New York Mercantile Exchange's Proposal To Permit Exchange of Futures for, or in Connection With, Futures Transactions in Brent Crude Oil Futures Contracts

AGENCY: Commodity Futures Trading Commission.

ACTION: Request for public comment on a proposed exchange rule to permit Exchange of Futures for Futures ("EFF") transactions.

SUMMARY: The New York Mercantile Exchange ("NYMEX" or "Exchange") has requested that the Commission

approve proposed new Rule 6.21D to permit EFF transactions in the Exchange's Brent Crude Oil ("Brent") futures contract. The proposed new rule would establish a non-competitive trading procedure that would operate in a manner that is analogous in some respects to block trading rules and in other respects to exchange of futures for physicals ("EFP") rules currently in operation at some exchanges. NYMEX intends for the proposal to enable "eligible contract participants," as that term is defined by section 1a(12) of the Commodity Exchange Act, to liquidate open positions in Exchange-specified substantially equivalent contracts at another exchange and to establish comparable positions in the Exchange's Brent contract. The proposed rule essentially provides a mechanism to transfer Brent futures positions from another exchange to NYMEX. NYMEX proposes to implement the rule on a one-year pilot program basis.

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

DATES: Comments must be received on or before April 12, 2002.

ADDRESSES: Interested persons should submit their views and comments to Jean A. Webb, Secretary, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581. In addition, comments may be sent by facsimile transmission to (202) 418-5521 or by electronic mail to secretary@cftc.gov. Reference should be made to the NYMEX proposal to adopt EFF procedures for the Brent Crude Oil futures contract.

FOR FURTHER INFORMATION, CONTACT: Please contact Jane H. Croessmann, Staff Attorney, Division of Trading and Markets, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581. Telephone: (202) 418-5433. Electronic mail: jcroessmann@cftc.gov.

SUPPLEMENTARY INFORMATION:

I. Background

NYMEX began trading its Brent futures contract on September 5, 2001. NYMEX represents that a number of market participants have expressed

interest in the Exchange establishing a mechanism whereby positions in Brent futures contracts at another exchange could be transferred to NYMEX. NYMEX represents that it has designed proposed Rule 6.21D to address those needs.

II. Summary Description of Proposed EFF Procedure

Under proposed Rule 6.21D, eligible contract participants would be permitted to execute away from the central marketplace transactions of 50 or more NYMEX Brent futures contracts. As a condition precedent to the NYMEX transaction, the parties must have liquidated a position in a substantially equivalent contract at another exchange, although they would not be required to execute those liquidating transactions against each other.¹ Regardless of whether the parties executed a single liquidating transaction with each other or two separate liquidating transactions with other parties, the quantities of the liquidating transactions would have to be substantially equivalent to the quantity covered by the later NYMEX transaction.

NYMEX states that its proposal would provide a means for sophisticated market participants to liquidate open Brent positions at another exchange and to individually negotiate transactions that would essentially result in the transfer of those positions to NYMEX. NYMEX further states that Rule 6.21D's various restrictions should permit parties to make those transfers, while avoiding exposure to the possibility of significant price slippage in a thinly traded market. NYMEX believes that by facilitating the transfer of positions between markets, its proposal would serve to increase competition between markets and, thus, benefit their users.

III. Text of Proposed NYMEX Rule 6.21D

Below is the text of proposed new NYMEX Rule 6.21D.

Rule 6.21D. Exchange of Futures for, or in Connection With, Futures Transactions

(A) General Requirements. (1) An exchange of futures for, or in connection with, futures (EFF) consists of two discrete, but related, transactions: one initial futures transaction effected on another regulated futures exchange (Underlying Transaction) and a subsequent futures transaction in an eligible NYMEX contract that is reported at the

Exchange pursuant to the procedures specified in this rule (NYMEX Transaction).

(2) Liquidating Transactions. As a condition precedent to the NYMEX Transaction, the parties to the NYMEX Transaction must have engaged in a transaction on the other regulated futures exchange pursuant to the procedures of such other exchange that resulted in liquidating an existing position at such other exchange.

(3) Quantity. The quantity covered by the Underlying Transaction must be substantially equivalent to the quantity covered by the NYMEX Transaction. The contract specifications for the futures contract traded in the Underlying Transaction must be substantially equivalent, as determined by the Exchange, to the contract specifications for the eligible futures contract comprising the NYMEX Transaction. In addition, the minimum transaction size for the NYMEX Transaction is 50 contracts.

(4) Report to Clearing Member. For each party to the NYMEX Transaction, that party, within two hours of its receipt of trade confirmation on the Underlying Transaction(s) at the other exchange, must submit to the NYMEX Clearing Member(s) carrying its account the details of the NYMEX Transaction. Upon receipt of such information, the NYMEX Clearing Member(s) must prepare a contemporaneous record of the information that also indicates the time of receipt of such information.

(5) Eligible Contracts and Transactions. EFF transactions may be effected only for transactions in the Exchange's Brent Crude Oil futures contract.

(6) Eligible Participants. This trading procedure is available only to a person or entity qualifying as an "eligible contract participant" as that term is defined by the Commodity Exchange Act and CFTC rules.

(7) Floor Reporting Requirements and Deadlines. A report of each EFF transaction shall be given, and notice thereof shall be posted on the Floor of the Exchange. The report of an EFF transaction shall be given on the Floor of the Exchange during the hours of futures trading on the day that the transaction thereto was made, or if such agreement was made after the close of trading, then on the next business day.

(8) EFF transactions shall be cleared through the Exchange in accordance with normal procedures, shall be clearly identified and marked in the manner provided by the Exchange, and shall be recorded by the Exchange and by the Clearing Members involved.

(9) EFF transactions are permitted until the close of trading on the last trading day in the expiring contract month of the Exchange's NYMEX Brent Crude Oil futures contract.

(B) Clearing Member Reporting Requirements. A report of such EFF transaction shall be submitted to the Exchange by each Clearing Member representing the buyer and/or seller. Such report shall identify the EFF as made under this Rule and shall contain the following information: a statement that the EFF has resulted or will result in a change of positions or other such change, the kind and quantity of the futures, the price at which the futures transaction is to be cleared, the names of the Clearing Members and customers and such other information as the Exchange may require. Such report (form) shall be submitted to the Compliance Department by

12:00 noon, no later than two (2) Exchange business days after the day of posting the EFF on the Floor of the Exchange.

(C) Exchange Request for Information. Each buyer and seller must satisfy the Exchange, at its request, that the transaction is a legitimate EFF transaction. Upon the request of the Exchange, all documentary evidence relating to the EFF, including documentation of the Underlying Transaction on the other futures exchange, shall be obtained by the Clearing Members from the buyer or seller and made available by the Clearing Members for examination by the Exchange.

(D) Omnibus Accounts and Foreign Brokers. All omnibus accounts and foreign brokers shall submit a signed EFF reporting agreement in the form prescribed by the Exchange to the Exchange's Compliance Department. Such Agreement shall provide that any omnibus account or foreign broker identified by a Clearing Member (or another omnibus account or foreign broker) as the buyer or seller of an EFF pursuant to this Rule 6.21D, shall supply the name of its customer and such other information as the Exchange may require. Such information shall be submitted to the Exchange's Compliance Department by 12:00 noon no later than two (2) Exchange business days after the day of posting the EFF on the Floor of the Exchange. Failure by an omnibus account or foreign broker to submit either the agreement or the particular EFF information to the Exchange may result in a hearing by the Business Conduct Committee to limit, condition or deny access of such omnibus account or foreign broker to the market.

IV. Request for Comment

The Commission requests comment from interested persons concerning any aspect of NYMEX's EFF proposal. The Commission would be particularly interested in comments responding to the following questions:

(1) NYMEX contends that its proposal would facilitate the transfer of positions from one futures market to another and, thus, would promote competition among markets that ultimately would benefit participants in both markets. Would such a procedure, in fact increase competition between the markets?

(2) Would a non-competitive trading procedure at one exchange designed to encourage the transfer of positions from another exchange affect the integrity of price discovery at either or both markets?

(3) Under NYMEX's proposal, the condition precedent liquidating transaction(s) at another exchange and the subsequent NYMEX transaction would not be a single, integrated transaction, as is the case with EFPs. Would this feature of EFFs create any incentives to engage in improper practices at either NYMEX or the other exchange?

(4) NYMEX analogizes its proposal to block trading rules that have been implemented at other futures exchanges. NYMEX represents that the proposed EFF minimum transaction

¹ Rule 6.21D(3) provides that NYMEX shall determine whether a contract at another exchange is substantially equivalent. NYMEX has indicated to the Commission that, at this time, the International Petroleum Exchange's ("IPE") Brent futures contract appears to be the only contract that would meet this standard. The NYMEX EFF procedure would be implemented without any special arrangement with IPE or any corresponding IPE rule change.

size of 50 contracts exceeds in size more than 90% of the Brent futures contract transactions executed in recent months at NYMEX. The Commission has utilized the 90% minimum threshold test in evaluating previously approved block trading proposals. In applying this standard, however, the Commission has traditionally looked at trading activity not only at the exchange that proposed block trading procedures, but also at trading in related cash and futures markets. So, for example, in the case of the Cantor Exchange's proposal to establish minimum thresholds for block trades in Treasury securities futures, the Commission evaluated the thresholds based on both the light trading activity at Cantor and the much heavier activity in Treasury securities futures at the Chicago Board of Trade, as well as transactions in the cash market.

(a) How should the Commission evaluate the minimum threshold for Brent EFF transactions?

(b) Should the Commission also consider the size of transactions executed in Brent futures contract at another exchange?

(c) How should that information best be obtained if the other exchange is not

subject to the Commission's jurisdiction?

(d) If volume and liquidity in the NYMEX Brent futures contract increase, should the minimum threshold be modified?

V. Miscellaneous

Other materials submitted by the NYMEX in support of the request for approval may be available upon request pursuant to the Freedom of Information Act (5 U.S.C. 552) and the Commission's regulations thereunder (17 CFR part 145 (2001)), except to the extent they are entitled to confidential treatment as set forth in 17 CFR 145.5 and 145.9.

Requests for copies of such materials should be made to the FOI, Privacy and Sunshine Act Compliance Staff of the Office of Secretariat at the Commission's headquarters in accordance with 17 CFR 145.7 and 145.8.

Issued in Washington, DC on March 7, 2002.

John C. Lawton,
Acting Director.

[FR Doc. 02-6051 Filed 3-12-02; 8:45 am]

BILLING CODE 6351-01-P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 0215]

36(b)(1) Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. J. Hurd, DSCA/COMPT/RM, (703) 604-6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 02-15 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: March 7, 2002.

Patricia L. Toppings,
Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5001-08-M