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Coffee, Sugar & Cocoa Exchange, Inc.
World Financial Center
One North End Avenue, 13th Floor
New York, New York 10282

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September 11, 2003

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: **Adoption of Sugar No. 14 Resolution No. 3 -
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6**

Dear Ms. Webb:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commission Regulation 40.6, the Coffee, Sugar & Cocoa Exchange, Inc. ("CSCE" or "the Exchange") submits, by written certification, new Resolution No. 3 of the Sugar No. 14 futures contract rules, attached as Exhibit A.

New Resolution No. 3 interprets the delivery rules of the Sugar No. 14 futures contract (the "Contract") to permit the delivery of world sugar imported into the United States under a valid raw sugar Re-export License. The Contract specifically permits the delivery of foreign growth cane sugars of less than 99.5 degrees polarization, duty and import fee, if any, paid, or cane sugars, the product of the United States and its Custom territories [see CSCE Rule 14.01(c)].

Currently, the USDA issues Re-export Licenses to certain sugar refineries. The Re-export License allows the licensed refinery to import raw world sugar without reference to quota limitations and obligates the refinery to export an equal amount of sugar. World sugar imported into the United States under the Re-export License becomes equivalent to domestically produced and quota eligible sugar. Refinery Re-export Licenses are used routinely by participants to domestic sugar commercial transactions and, in the past, have been used when making delivery against the Contract.

The users of the Contract through the Exchange's Domestic Sugar Committee requested that the Exchange's Board of Managers issue an interpretation to the Contract's delivery rules

which would explicitly permit the use of sugar brought into the United States pursuant to a valid raw sugar Re-export License for delivery under the Contract. Therefore, the Board adopted Resolution No. 3. The Resolution also provides that in such deliveries, payment for the sugar shall be made after the deliverer gives the receiver a copy of the applicable customs form evidencing entry into the United States and a letter from the USDA licensee that the sugar to be delivered is covered by its Re-export License.

The Exchange certifies that the Resolution complies with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder.

The Resolution was adopted by the Exchange's Board of Managers on September 10, 2003 and will become effective on Monday, September 15, 2003 for all currently and subsequently listed delivery months.

It should be noted that one user did express the view that the current delivery rules do not explicitly permit the delivery of sugar imported under a Re-export License and would have preferred that implementation of the Resolution be delayed for a delivery month with no open interest. However, all other users expressed the view that deliveries have already been made using such sugar and that the stated inclusion of such sugar will not have an effect on the deliverable supply or the 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: David Van Wagner
CFTC, Division of Market Oversight
Frederick Linse
CFTC, Division of Market Oversight
Thomas Leahy
CFTC, Division of Market Oversight
Allen Cooper
CFTC, New York Regional Office

(In the text of the amendments below, additions are underlined.)

R-3 Use of Valid Raw Sugar Re-Export Licenses

WHEREAS, Rule 14.00(c) allows for the delivery of foreign growth cane sugars of less than 99.5 degrees polarization, duty and import fee, if any, paid or cane sugars, the product of the United States and its Customs territories; and

WHEREAS, valid raw sugar Re-export Licenses are used routinely by commercial market participants in the domestic sugar market; and

WHEREAS, world sugar imported into the United States in accordance with valid raw sugar Re-export Licenses becomes equivalent to domestically produced sugar; and

WHEREAS, the Domestic Sugar Committee has requested an interpretation as to using sugar brought into the United States pursuant to a valid raw sugar Re-export License for delivery under the Sugar No. 14 futures contract;

NOW, THEREFORE, BE IT RESOLVED, that the Board interprets Rule 14.00(c) to mean that sugar brought into the United States pursuant to a valid raw sugar Re-export License may be used for delivery in the Sugar No. 14 futures contract and that, prior to the Receiver making payment, the Deliverer must provide to the Receiver a copy of the applicable customs form and a letter from a United States Department of Agriculture Licensee stating (i) the quantity of the sugar, (ii) that such sugar is being imported in accordance with its valid raw sugar Re-export License, (iii) the name of the vessel on which the sugar is being imported and (iv) the port in which the vessel will be unloading the sugar.

EXHIBIT A