

³Category 659-S: only HTS numbers 6112.31.0010, 6112.31.0020, 6112.41.0010, 6112.41.0020, 6112.41.0030, 6112.41.0040, 6211.11.1010, 6211.11.1020, 6211.12.1010 and 6211.12.1020.

⁴Category 459pt.: all HTS numbers except 6405.20.6030, 6405.20.6060, 6405.20.6090, 6406.99.1505 and 6406.99.1560.

⁵Category 469pt.: all HTS numbers except 5601.29.0020, 5603.94.1010 and 6406.10.9020.

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

Sincerely,

D. Michael Hutchinson,

Acting Chairman, Committee for the Implementation of Textile Agreements.

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BILLING CODE 3510-DR-F

COMMODITY FUTURES TRADING COMMISSION

Proposed Amendment To Convert the Kansas City Board of Trade's Western Natural Gas "Flat Price" Futures Contract to a "Basis" Future Contract

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice of availability of proposed amendments to contract terms and conditions.

SUMMARY: The Kansas City Board of Trade (KCBT or Exchange) has submitted proposed amendments to its western natural gas futures contract related to the pricing of the contract. The proposed amendments were submitted under the Commission's 45-day Fast Track procedures which provides that, absent any contrary action by the Commission, the proposed amendments may be deemed approved on November 26, 1999—45 days after the Commission's receipt of the proposals. The Acting Director of the Division of Economic Analysis (Division) of the Commission, acting pursuant to the authority delegated by Commission Regulation 140.96, has determined that publication of the proposals for comment is in the public interest, will assist the Commission in considering the views of interested persons, and is consistent with the purpose of the Commodity Exchange Act.

DATES: Comments must be received on or before November 9, 1999.

ADDRESSES: Interested persons should submit their views and comments to Jean A. Webb, Secretary, Commodity Futures Trading Commission, Three Lafayette Centre, 21st Street, NW Washington, DC 20581. In addition,

comments may be sent by facsimile transmission to facsimile number (202) 418-5521, or by electronic mail to secretary@cftc.gov. Reference should be made to the proposed amendments to the KCBT western natural gas futures contract.

FOR FURTHER INFORMATION CONTACT: Please contact Joseph B. Storer of the Division of Economic Analysis, Commodity Futures Trading Commission, Three Lafayette Centre, 21st Street NW, Washington, DC 20581, telephone (202) 418-5282. Facsimile number: (202) 418-5527. Electronic mail: jstorer@cftc.gov

SUPPLEMENTARY INFORMATION: The existing terms of the western natural gas futures contract provide for prices to be quoted in dollars and cents per MMBtu. The proposed amendments will convert the existing "flat price" futures contract to a "basis" futures contract, in that prices would be quoted as a differential to the New York Mercantile Exchange's (NYMEX's) Henry Hub delivery natural gas futures contract. An additional amendment would reduce the hub fee charged for physical deliveries by the operator of the WAHA Hub, the delivery point on the contract, from the current two cents per MMBtu (\$.02) to one quarter of one cent (\$.0025) per MMBtu.

According to the Exchange:

The idea of a basis contract was developed because it represented the way in which the gas commercials and marketers used our gas futures product. Since the inception of natural gas trading at the KCBT, the overwhelming majority of trades done on this exchange were versus offsetting trades at the New York Mercantile Exchange (NYMEX) in order to lock in a basis differential between east and west.

However, over the past 18 months, the natural gas market has experienced lower volatility and the basis between east and west has been for the most part narrower than normal. This has caused basis trade to migrate to the over-the-counter market. Part of the reason for this is because the OPT market can package the basis trade into one transaction. In an east/west futures basis trade, you have two markets in which you must execute transactions, NYMEX and KCBT. With the reduction of volatility and narrow basis differential, business at the KCBT has diminished greatly, creating wider bid/ask spreads and making it more expensive for market participants to do basis trades in the futures market versus the OTC market.

With regard to the proposed change in the hub fee applicable to physical deliveries of natural gas current rules specify that it is the seller's responsibility to pay this fee when physical delivery of gas is made. According to the KCBT, after consultation with the WAHA Hub

operator the operator and the Exchange determined that the proposed \$.0025 cent fee was more representative of current conditions at the WAHA Hub cash market.

The Division requests comments on the proposed amendments and their effect that the usefulness of the revised contract for hedging.

Copies of the proposed amendments will be available for inspection at the Office of the Secretariat, Commodity Futures Trading Commission, Three Lafayette Center, 21st Street, NW, Washington, DC 20581. Copies of the proposed amendments can be obtained through the Office of the Secretariat by mail at the above address, by phone at (202) 418-5100, or via the Internet on the CFTC website at www.cftc.gov under "What's New & Pending".

Other material submitted by the KCBT in support of the proposal 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 (1987)), except to the extent they are entitled to confidential treatment set forth in 17 CFR 145.5 and 145.9. Request for copies of such materials should be made to 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.

Any person interested in submitting written data, views, or arguments on the proposed amendments or with respect to other materials submitted by the KCBT, should send such comments to Jean A. Webb, Secretary, Commodity Futures Trading Commission, Three Lafayette Centre, 21st Street NW, Washington, DC 20581 by the specified date.

Issued in Washington, DC, on October 19, 1999.

John Mielke,

Acting Director.

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COMMODITY FUTURES TRADING COMMISSION

Notice of the Twenty-Seventh Meeting of the Agricultural Advisory Committee

This is to give notice, pursuant to Section 10(a)(2) of the Federal Advisory Committee Act, 5 U.S.C. App. 2, Section 10(a)(2), and Section 101-6.1015(b) of the regulations promulgated thereunder, 41 CFR 101-6.1015(b), that the Commodity Futures Trading Commission Agricultural Advisory Committee ("AAC") will conduct a