

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 the Republic of Turkey

May 1, 2000.

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

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

EFFECTIVE DATE: May 8, 2000.

FOR FURTHER INFORMATION CONTACT: Roy Unger, 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, call (202) 482-3715.

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 adjusted, variously, for carryover, carryforward, swing, special shift and the recrediting of unused carryforward.

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 64 FR 71982, published on December 22, 1999). Also see 64 FR 62659, published on November 17, 1999.

D. Michael Hutchinson,

Acting Chairman, Committee for the Implementation of Textile Agreements.

Committee for the Implementation of Textile Agreements

May 1, 2000.

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 November 9, 1999, 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 the Republic of Turkey and

exported during the twelve-month period which began on January 1, 2000 and extends through December 31, 2000.

Effective on May 8, 2000, you are directed to adjust the current limits for the following categories, as provided for under the Uruguay Round Agreement on Textiles and Clothing:

| Category | Adjusted limit ¹ |
|---|--|
| Fabric Group | |
| 219, 313-O ² , 314-O ³ , 315-O ⁴ , 317-O ⁵ , 326-O ⁶ , 617, 625/626/627/628/629, as a group. | 181,635,090 square meters of which not more than 47,480,835 square meters shall be in Category 219; not more than 56,280,079 square meters shall be in Category 313-O; not more than 33,764,149 square meters shall be in Category 314-O; not more than 45,370,578 square meters shall be in Category 315-O; not more than 47,480,835 square meters shall be in Category 317-O; not more than 5,275,647 square meters shall be in Category 326-O, and not more than 31,653,892 square meters shall be in Category 617. |
| Sublevel in Fabric Group 625/626/627/628/629 | 21,374,292 square meters of which not more than 10,088,665 square meters shall be in Category 625; not more than 8,549,716 square meters shall be in Category 626; not more than 8,549,716 square meters shall be in Category 627; not more than 8,549,716 square meters shall be in Category 628; and not more than 8,549,716 square meters shall be in Category 629. |
| Limits not in a group | |
| 300/301 | 11,022,486 kilograms. |
| 338/339/638/639 | 7,032,913 dozen of which not more than 5,975,240 dozen shall be in Categories 338-S/339-S/638-S/639-S ⁷ . |
| 340/640 | 1,570,897 dozen of which not more than 499,226 dozen shall be in Categories 340-Y/640-Y ⁸ . |

| Category | Adjusted limit ¹ |
|---------------------------|--|
| 347/348 | 7,090,182 dozen of which not more than 2,339,172 dozen shall be in Categories 347-T/348-T ⁹ . |
| 350 | 707,784 dozen. |
| 351/651 | 1,260,126 dozen. |
| 352/652 | 3,460,161 dozen. |
| 361 | 2,716,520 numbers. |
| 369-S ¹⁰ | 2,408,734 kilograms. |
| 410/624 | 1,135,918 square meters of which not more than 888,390 square meters shall be in Category 410. |

¹ The limits have not been adjusted to account for any imports exported after December 31, 1999.

² Category 313-O: all HTS numbers except 5208.52.3035, 5208.52.4035 and 5209.51.6032.

³ Category 314-O: all HTS numbers except 5209.51.6015.

⁴ Category 315-O: all HTS numbers except 5208.52.4055.

⁵ Category 317-O: all HTS numbers except 5208.59.2085.

⁶ Category 326-O: all HTS numbers except 5208.59.2015, 5209.59.0015 and 5211.59.0015.

⁷ Category 338-S: only HTS numbers 6103.22.0050, 6105.10.0010, 6105.10.0030, 6105.90.8010, 6109.10.0027, 6110.20.1025, 6110.20.2040, 6110.20.2065, 6110.90.9068, 6112.11.0030 and 6114.20.0005; Category 339-S: only HTS numbers 6104.22.0060, 6104.29.2049, 6106.10.0010, 6106.10.0030, 6106.90.2510, 6106.90.3010, 6109.10.0070, 6110.20.1030, 6110.20.2045, 6110.20.2075, 6110.90.9070, 6112.11.0040, 6114.20.0010 and 6117.90.9020; Category 638-S: all HTS numbers except 6109.90.1007, 6109.90.1009, 6109.90.1013 and 6109.90.1025; Category 639-S: all HTS numbers except 6109.90.1050, 6109.90.1060, 6109.90.1065 and 6109.90.1070.

⁸ Category 340-Y: only HTS numbers 6205.20.2015, 6205.20.2020, 6205.20.2046, 6205.20.2050 and 6205.20.2060; Category 640-Y: only HTS numbers 6205.30.2010, 6205.30.2020, 6205.30.2050 and 6205.30.2060.

⁹ Category 347-T: only HTS numbers 6103.19.2015, 6103.19.9020, 6103.22.0030, 6103.42.1020, 6103.42.1040, 6103.49.8010, 6112.11.0050, 6113.00.9038, 6203.19.1020, 6203.19.9020, 6203.22.3020, 6203.42.4005, 6203.42.4010, 6203.42.4015, 6203.42.4025, 6203.42.4035, 6203.42.4045, 6203.49.8020, 6210.40.9033, 6211.20.1520, 6211.20.3810 and 6211.32.0040; Category 348-T: only HTS numbers 6104.12.0030, 6104.19.8030, 6104.22.0040, 6104.29.2034, 6104.62.2006, 6104.62.2011, 6104.62.2026, 6104.62.2028, 6104.69.8022, 6112.11.0060, 6113.00.9042, 6117.90.9060, 6204.12.0030, 6204.19.8030, 6204.22.3040, 6204.29.4034, 6204.62.3000, 6204.62.4005, 6204.62.4010, 6204.62.4020, 6204.62.4030, 6204.62.4040, 6204.62.4050, 6204.69.6010, 6204.69.9010, 6210.50.9060, 6211.20.1550, 6211.20.6810, 6211.42.0030 and 6217.90.9050.

¹⁰ Category 369-S: only HTS number 6307.10.2005.

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,

D. Michael Hutchinson,

Acting Chairman, Committee for the Implementation of Textile Agreements.

[FR Doc. 00-11240 Filed 5-4-00; 8:45 am]

BILLING CODE 3510-DR-F

COMMODITY FUTURES TRADING COMMISSION

New York Cotton Exchange: Proposed Amendments To Convert the U.S. Dollar Index Futures Contract to Physical Delivery From Cash Settlement.

AGENCY: Commodity Futures Trading Commission.

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

SUMMARY: The FINEX Division of the New York Cotton Exchange (NYCE or Exchange) has submitted proposed

amendments to convert its U.S. Dollar Index (USD_X or Index) futures contract to physical delivery from its existing cash settlement provisions. Under the proposal, the NYCE would no longer cash settle the USD_X futures contract based on a survey of banks conducted by Reuters. Rather, the contract would provide for physical delivery of U.S. dollars in exchange for a basket of foreign currencies based on the fixed percentage weights of the Index.

The Acting Director of the Division of Economic Analysis (Division), acting pursuant to the authority delegated by Commission Regulation 140.96, has determined that publication of the proposal 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 May 22, 2000.

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 facsimile number (202) 418-5521, or by electronic mail to secretary@cftc.gov. Reference should be made to the proposed amendments to the NYCE U.S. Dollar Index futures contract.

FOR FURTHER INFORMATION CONTACT:

Please contact Michael Penick of the Division of Economic Analysis, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street NW, Washington, DC 20581, telephone (202) 418-5279. Facsimile number: (202) 418-5527. Electronic mail: mpenick@cftc.gov.

SUPPLEMENTARY INFORMATION: The USD_X is a geometric index of six foreign currencies with fixed percentage weights. The six currencies and their percentage weights are as follows: euro (57.6%); Japanese yen (13.6%); British pound (11.9%); Canadian dollar (9.1%); Swedish krona (4.2%); and Swiss franc (3.6%). The index formula is:

$$\text{USD}_X = 50.14348112 * \prod_{i=1}^6 (\text{Spot Rate}_{it})^{\text{currency weight } i}$$

Where Spot Rate_i = exchange rate of currency i at time t with all exchange rates expressed in European terms, *i.e.*, units of foreign currency per U.S. dollar, and Π is the mathematical symbol for the product of a multiplication.

Under current rules, the USD_X futures contract is cash settled at expiration based on a survey of banks for indicative bids and offers. The survey is conducted by Reuters USA during the last half hour of trading on the last trading day. The Exchange stated that "over time, there has been a deterioration of the quality of the indications and a decline in the number of bank contributors."

The Exchange proposes replacing the cash settlement procedure with a physical delivery procedure. Under this procedure, a long position holder in the subject contract would receive delivery of U.S. dollars and make payment in a basket of the six foreign currencies that are components of the USD_X. Under the proposal, the contract size would remain \$1,000 times the Index. Thus, at an Index level at delivery time of 100, the long would receive U.S. \$100,000 and pay an amount of foreign currency valued at \$100,000. Similarly, the short position holder would deliver U.S.

\$100,000 and receive payment in the basket of foreign currencies.

As part of the delivery procedure, the Exchange would determine a final settlement price. The final settlement price would be based, to the extent possible, on futures prices of NYCE currency futures contracts that expire at the same time as the subject USD_X futures contract. If necessary, the rate for any currency that does not have an NYCE futures contract expiring at the same time as the USD_X contract would be "determined by the [NYCE's] Settlement Committee taking into account cash and futures prices of the underlying currency component and any other information that the Committee may deem appropriate."

The final settlement price would be used to determine both the amount of U.S. dollars that the short delivers and the long receives and the amount of foreign currency that the long pays and the short receives. For example, suppose the final USD_X settlement price is 100.00 and one euro is worth exactly \$1.00. As noted, the weighting of the euro is 57.6%. In this instance, the short would deliver \$100,000 (\$1,000 times 100.00). The long would pay a basket of foreign currency worth \$100,000. That basket would contain \$57,600 (57.6% of

\$100,000) worth of euros and \$42,400 worth of the other five currencies distributed according to their respective weights. Since the euro in this example is worth exactly \$1.00, the long would pay 57,600 euros. The amount that the long would pay of each in the other five foreign currencies would be calculated similarly, based on their percentage weights and currency exchange rates.

Now, suppose the final settlement price is \$110.00 and the euro is valued at 90.00 cents. In this instance, the short would deliver and the long would receive \$110,000 (\$1,000 times 110.00). The long would pay and the short would receive a basket of foreign currency worth \$110,000. That basket would contain \$63,360 (57.6% of \$110,000) worth of the euros and \$46,640 worth of the other five currencies distributed according to their respective weights. Since the euro in this example is worth \$0.90, the long would pay 70,400 euros (\$63,360 divided by 0.90), compared to the 57,600 euros that the long would pay if the USD_X were 100.00 and the euro were valued at \$1.00 under the preceding example.

As shown in these examples, under the proposed physical delivery procedure, neither the number of U.S.