

sequence of transactions. The requirements of that Section regarding the capture of relevant data on unmatched trades and outrades are not relevant to Project A trading, as unmatched trades and outrades cannot occur on the Project A system. The Commission further finds that CBT accurately and promptly records the essential data on terms, participants, times (in increments of no more than one minute in length), and the sequence of Project A trades through a means that is unalterable, continual, independent, reliable, and precise, as required by section 5a(b)(3) of the Act. This includes the real-time submission of trades to clearing as they are matched by the system. Consistent with the guidelines to Commission Regulation 155.5, the Commission also finds that CBT has demonstrated the use of Project A T-Bond trade timing data in its surveillance systems for dual trading-related and other abuses.

The audit trail produced by Project A for T-Bond futures includes trade execution times that are presumptively 100 percent accurate (barring computer malfunction) and precise to within $\frac{1}{100}$ th of a second. All trades are also recorded in the exact sequence of occurrence. Among other things, the order ticket timestamps required by Regulation 1.35(a-1) are automatically furnished by the system, independent of the person making the trade, as is the order number. Project A also automatically records the time at which a terminal operator enters an order, the time when an order is matched to make a trade, the time the system generates a confirmation message to a terminal operator, and the time of any changes to an order. Once entered, orders and records of changes to orders are unalterable and cannot be deleted. If an order cannot be entered immediately upon its receipt by a terminal operator, the order is recorded on a written order ticket, timestamped, and then entered when possible. For every Project A order, either this order ticket timestamp or the order entry time recorded by the system acts as the broker receipt time required by section 5a(b)(3)(B) of the Act.

CBT satisfies the requirements of section 5a(b)(1)(B) of the Act by maintaining an adequate recordkeeping system that is able to capture essential data on the terms, participants, and sequence of transactions executed on Project A. The Exchange uses such data as well as information on violations of such requirements on a consistent basis to bring appropriate disciplinary actions relating to Project A trading.

(c) Surveillance Systems and Disciplinary Action—As required by sections 5a(b)(1)(C), (D), and (F) of the Act, CBT uses information generated by its trade monitoring and audit trail systems on a consistent basis to bring appropriate disciplinary action for violations relating to the making of trades and execution of customer orders on Project A. In addition, CBT assesses meaningful penalties against violators.

On a daily basis, CBT reviews computerized surveillance exception reports to detect dual trading-related and other trading abuses on Project A. All relevant trade data are included in these reports. The

exception reports are designed to identify such suspicious activity as trading ahead, frontrunning, trading against, crossing orders, and wash trading. Since the introduction of side-by-side (simultaneous Project A and open outcry) trading of T-Bonds in September 1998, CBT has begun using a specialized exception report designed to identify certain trading ahead violations that use both the Project A and open outcry markets. The CBT has stated that it intends to develop systems and programs that integrate surveillance of its Project A and open outcry markets. The Exchange should be diligent in pursuing this process.

From January, 1997 through December, 1998, the Exchange initiated 21 investigations into all types of possible abuses on Project A, nine of which had been closed as of December, 1998. One of those nine was closed within the four-month objective set forth in Commission Regulation 8.06, and another three were closed within four to six months. Thus, only 44 percent of those Project A investigations opened and closed during 1997-98 were closed within six months. If CBT cannot complete its Project A investigations within the objective set by Regulation 8.06, it should provide the reasons why such investigations require more than four months to complete. Based on examination of its computerized surveillance reports, CBT initiated four dual trading-related investigations during that period, one of which resulted in referral to a disciplinary committee. As of December 1998 that case was still pending. In other Project A-related disciplinary actions, the Exchange levied \$20,000 in fines, imposed one ten-day suspension, and issued four reprimands.

(d) Commitment of Resources—The Commission finds that CBT meets the requirements of section 5a(b)(1)(E) by committing sufficient resources for its trade monitoring system relating to Project A, including automating elements of such trade surveillance system, to be effective in detecting and deterring violations. CBT also maintains an adequate staff to investigate and to prosecute disciplinary actions.

Accordingly, on this date, the Commission hereby grants CBT's Petition for exemption from the dual trading prohibition for trading on Project A of its electronically traded U.S. Treasury Bond futures contracts.

For this exemption to remain in effect, CBT must demonstrate on a continuing basis that it meets the relevant statutory and regulatory requirements. The Commission will monitor continued compliance through its rule enforcement review program and any other information it may obtain about CBT's program.

The provisions of this Order shall be effective on the date on which it is issued and shall remain in effect unless and until it is revoked in accordance with section 8e(b)(3)(B) of the Commodity Exchange Act, 7 U.S.C. 12e(b)(3)(B). If other CBT contracts electronically traded on Project A become affected contracts after the date of this Order, the Commission may expand this Order in response to an updated petition that includes those contracts.

It is so ordered.

Dated: February 26, 1999.

Jean A. Webb,

Secretary to the Commission.

[FR Doc. 99-14712 Filed 6-9-99; 8:45 am]

BILLING CODE 6351-01-M

COMMODITY FUTURES TRADING COMMISSION

Alternative Executive, or Block Trading, Procedures for the Futures Industry

AGENCY: Commodity Futures Trading Commission.

ACTION: Advisory.

SUMMARY: The Commodity Futures Trading Commission ("Commission") will consider contract market proposals to adopt alternative executive execution, or block trading, procedures for large size or other types of orders on a case-by-case basis under a flexible approach to the requirements of the Commodity Exchange Act ("Act") and the Commission's regulations. The Commission continues to be open to further comments on the various issues surrounding potential alternative execution procedures from industry participants.

EFFECTIVE DATE: This Advisory is effective upon issuance.

FOR FURTHER INFORMATION CONTACT: Rebecca L. Creed, Attorney, Division of Trading and Markets, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581. Telephone: (202) 418-5430.

SUPPLEMENTARY INFORMATION:

I. Introduction

After careful consideration of public comments and interviews with interested securities and futures industry participants, the Commission has decided to evaluate contract market proposals to adopt alternative execution, or block trading, procedures for large size or other types of orders on a case-by-case basis. As discussed below, the Commission believes that the appropriate terms and conditions governing such execution procedures are best addressed in the context of specific proposals. The Commission stands ready to consider any rule proposal submitted by a contract market that expressly allows such transactions to be executed using any combination of competitive and noncompetitive execution procedures. The Commission plans to take a flexible approach in considering such proposals.

II. The Commission Solicited Comments on Alternative Execution, or Block Trading Procedures in its Concept Release Concerning the Regulation of Noncompetitive Transactions Executed on or Subject to the Rules of a Contract Market

On January 26, 1998, the Commission published a Concept Release in the *Federal Register* for public comment concerning the regulation of noncompetitive transactions executed on or subject to the rules of a contract market.¹ Among other things, the Concept release discussed a wide range of issues concerning alternative execution procedures.² Specifically, the Commission wished to explore whether certain alternative execution procedures for large size or other types of orders

¹ 63 FR 3708 (January 26, 1998).

Throughout the Concept Release and in this Advisory, the Commission uses the term "noncompetitive transaction" to refer to those transactions that are negotiated and executed by counterparties other than through open outcry or other competitive means, but in accordance with the written rules of a contract market that have been submitted to and approved by the Commission. The noncompetitive transactions discussed in the Concept Release are distinguishable from those abusive trading practices prohibited by section 4c(a) of the Act, such as wash sales, cross trades, accommodation trades, and fictitious sales. Moreover, as noted by many of the commenters responding to the Concept Release, these noncompetitive transactions might be structured in such a manner that promotes competitive pricing, transparency, or other beneficial goals.

The Commission recognizes, however, that new execution procedures for large size or other types of orders might utilize a combination of competitive and noncompetitive trading practices. The term "alternative execution procedures" is intended to embrace the entire range of potential execution procedures that might be proposed by a contract market including those referred to in the Concept Release and comments thereon as block trading procedures. This includes those procedures that provide some degree of exposure of large size orders to the competitive pressures of the centralized futures marketplace as well as those that are purely noncompetitive.

² The Release also included questions concerning the oversight of: (1) Exchanges of futures contracts for physicals ("EFPs"), which are authorized under the Act and the Commission's regulations; (2) other potential noncompetitive transactions, including exchanges of futures contracts for qualifying swap agreements ("EFS transaction") and exchanges of option contracts for physicals ("EOPs"); and (3) the use of execution facilities for noncompetitive transactions. The overall purpose of the Concept Release was to solicit comments on the current regulatory structure governing noncompetitive transactions and whether this approach should be modified in light of recent developments in the marketplace.

On January 7, 1999, the Commission approved the New York Mercantile Exchange's ("NYMEX") proposal to adopt new Rule 6.21A, which authorize EFS transactions pursuant to the terms and conditions of a three-year pilot program. See Commission Press Release No. 4228-99. Any contract market which is interested in allowing EFS transactions in their designated markets may submit a proposal to the Commission for its consideration, pursuant to Section 5a(a)(12)(A) of the Act and Commission Regulation 1.41.

could be developed to satisfy the needs of market participants while furthering the policies and purposes of the Act and the Commission's regulations. Through the questions posed in the Concept Release, commenters were asked whether the Commission should permit alternative execution procedures pursuant to the rules of a contract market; what general qualifying standards should govern a proposal's eligibility for approval by the Commission; and whether additional regulatory requirements should be imposed on these procedures to maintain integrity and to provide guidance to self-regulatory entities.³ Of the sixty-four comment letters the Commission received in response to the Concept Release, fifty-seven specifically addressed such execution procedures.⁴

These comment letters revealed two divergent viewpoints concerning the adoption of alternative execution procedures by contract markets. Eleven commenters generally supported such procedures, while forty-nine commenters generally opposed them. The supporting comment letters indicated that alternative execution procedures should be implemented in order to alleviate the current difficulties faced by institutional market participants in executing large futures and option orders. These commenters stated that execution procedures could be structured in such a way as to minimize any negative impact on market volume, liquidity, price discovery, transparency, or customer protection. Conversely, the opposing comment letters generally stated that alternative execution procedures would divert order flow away from the centralized, competitive marketplace, thereby reducing liquidity and jeopardizing the price discovery and hedging functions of the futures markets. These commenters stated that such execution procedures would prevent floor traders and certain other entities from participating in large transactions between institutions and that customers ultimately would be harmed by the lack of transparency associated with these procedures.

³ The comment period on the Concept Release originally was scheduled to run from January 26, 1998, through March 27, 1998, but was extended by the Commission until April 27, 1998. 63 FR 13640 (March 20, 1998). At the request of the Futures Industry Association, the Commission further extended the comment period on those parts of the Release that related to alternative execution procedures until September 1, 1998. 63 FR 24164 (May 1, 1998).

⁴ Several comments submitted multiple and/or joint comment letters.

A. Current Contract Market Large Order Execution Procedures

Under the Act and the Commission's regulations, all futures and option transactions generally must be executed openly and competitively by open outcry, by posting of bids and offers, or by equally open and competitive methods in the trading pit or ring or similar place provided by a designated contract market.⁵ As noted in the Concept Release, the Commission has approved or allowed into effect various contract market rules which establish procedures for the execution of large orders.⁶ These procedures generally preserve the competitive forces available on a centralized market and thereby comply with the open and competitive execution requirement. The Commission also has taken steps to streamline its own regulations to facilitate the adoption of large order execution ("LOX") procedures by contract markets.⁷

⁵ See sections 4(a) and 4b of the Act; Commission Regulation 1.38(a). There are, however, certain limited exceptions to this requirement. Section 4c(a) of the Act prohibits certain types of noncompetitive or otherwise abusive trading practices, such as wash sales, cross trades, accommodation trades, and fictitious sales, but provides an exception for EFPs that are executed in accordance with contract market rules that have been approved by the Commission. An EFP involves simultaneous transactions in the futures and cash commodity markets. One party buys the physical commodity and simultaneously sells (or gives up long) futures contracts while the other party sells the physical commodity and simultaneously buys (or receives long) futures contracts. Subject to applicable contract market rules, the futures transaction is negotiated privately by the parties rather than being executed openly and competitively on a centralized market. All domestic contract markets permit EFPs, although there is some variation among the specific contract market rule which govern these transactions.

⁶ See, e.g., Chicago Mercantile Exchange ("CME") Rule 521 ("All-Or-None Transactions"); New York Cotton Exchange ("NYCE") Rule 1.10-B ("Block Order Execution"); New York Futures Exchange ("NYFE") Rule 312 ("Block Order Execution").

CME also has developed request for quote ("RFQ") procedures which allow market participants to solicit transactions of a particular size for any of the contracts traded through Globex2, its electronic trading system. In addition, CMD allows firms to engage in pre-execution discussions regarding Globex2 trades as long as the solicited counterparty waits a reasonable period of the time before entering an order opposite that of the initiating party.

⁷ Commission Regulation 1.39 generally sets forth the conditions and requirements governing the crossing of simultaneous buying and selling orders of different principals. Under Regulation 1.39(a), when trading is conducted in a pit or ring, a contract market member may execute buying and selling orders from different principals for the same commodity directly between such principals at the market price, pursuant to the written rules of such contract market which have been approved by the Commission, provided that the member first offers both orders to the pit. In 1991, the Commission amended Regulation 1.39 to allow a contract market member to follow alternative procedures for the

There is some debate, however, as to whether the existing procedures meet the needs of futures market participants. Several commenters responding to the Concept Release stated that the availability of alternative execution procedures is crucial to attracting and retaining institutional participation in the futures markets: These participants increasingly need to trade large quantities of futures contracts in connection with their securities activities. According to commenters, such transactions would severely tax the available liquidity of the centralized futures marketplace. These commenters stated that alternative execution procedures would allow large futures transactions, which require size and price certainty, to be implemented in an efficient and cost effective manner.

B. Potential Alternative Execution Procedures Discussed in the Concept Release

Pursuant to section 4(a) of the Act and Commission Regulation 1.38(a), the Commission has broad authority to approve contract market rules which allow futures and option transactions to be executed in the noncompetitive manner.⁸ The text of these provision does not limit the types of noncompetitive transactions that may be approved by the Commission. In light of this authority, the Concept Release sought to identify new execution procedures that go beyond those that already exist in the futures industry and to encourage debate on such procedures. The Release described several scenarios which departed from the usual open and competitive execution requirement

crossing of orders if these procedures comply with contract market LOX rules that have been approved by the Commission. 56 FR 12336 (March 25, 1991).

CME adopted, and the Commission approved, Rule 549 which established LOX procedures for transactions involving 300 or more futures contracts in the Standard & Poor's 500 Stock Price Index or the Nikkei Stock Average. Despite allowing the pre-execution solicitation of interest and discussion of price, these LOX procedures were used by market participants on only one occasion in the several years they were available. Ultimately, CME terminated these procedures in April 1998.

⁸Section 4(a) makes it unlawful for any person to enter into a contract for the purchase or sale of a commodity for future delivery "unless such transaction is conducted on or subject to the rules of board of trade which has been designated by the Commission as a contract market for such commodity." Commission Regulation 1.38(a) provides that the open and competitive execution requirement "shall not apply to transaction which are executed noncompetitively in accordance with written rules of the contract market which have been submitted to and approved by the Commission, specifically providing for the noncompetitive execution of such transactions." As noted previously, the Commission exercised this authority in approving NYMEX's proposal of EFS transactions.

in various degrees. Certain examples envisioned market participants being allowed to alert potential counterparties of their general interest in trading a particular contract at a particular time, to divulge specific information about quantity and price to potential counterparties, or to negotiate the specific terms of futures and option transactions. Another variation would adjust execution procedures to confer a degree of priority on particular orders, such as market maker orders, that they might not attain in the open and competitive trading environment.⁹ Finally, the Release noted that market participants might be permitted to execute certain transactions bilaterally, away from the centralized marketplace, and to report them to the relevant contract market and clearing organization in a manner similar to the way EFPs are handled currently. These examples, while not exhaustive, were intended to illustrate a range of possible execution procedures that could be adopted by contract markets.

The Concept Release also discussed how block trading procedures operate in the securities markets.¹⁰ Generally speaking, with respect to securities exchanges, the specific terms of a block transaction are negotiated "upstairs" away from the exchange floor. Exchange rules govern the manner in which such transactions ultimately are brought to the floor for execution. Typically, a brokerage firm will arrange the block transaction for its customer. After receiving a customer's order to purchase or sell a block of securities, the firm must decide whether to contact the exchange specialist.¹¹ By contacting the

⁹The Commission already has approved several contract market proposals establishing market maker programs. These programs, which aim to encourage market participation in specified new or low volume contracts, often provide market makers with certain trading priorities that they would not otherwise obtain under traditional open and competitive execution methods. See, e.g., Coffee, Sugar & Cocoa Exchange ("CSCE") Registered Market Maker Program (approved by the Commission on April 30, 1991); Chicago Board of Trade ("CBOT") Modified Market Maker Program for the Wilshire Small Cap Index Future Contract (allowed into effect without prior Commission approval on June 18, 1993); CME Principal Market Maker Program (approved by the Commission on April 10, 1995); NYMEX Specialist Market Maker Program (approved by the Commission on July 8, 1998).

¹⁰In the securities industry, a block trade is commonly defined as a transaction involving 10,000 or more shares. Blocks may be traded on securities exchanges, in over-the-counter markets, or through "principal-to-principal" trade execution venues. 63 FR 3708, 3717-3718 (January 26, 1998).

¹¹Under New York Stock Exchange ("NYSE") Rule 127(a), a member organization that receives an order for the purchase or sale of a block of stock is obligated to explore the market to determine whether it can absorb the order without a

specialist, the firm can determine the prevailing price of the stock and as well as the needs of the specialist. If the specialist is interested in taking the opposite side of the entire block at a mutually agreeable price, there is no need to utilize the block trading procedures.

If block trading procedures are necessary, the brokerage firm must then decide whether to "position" the block for its house account, to "shop the block" by contacting potential customers to take the opposite side of the transaction, or to combine these strategies. Upon agreement to a price for the block,¹² the customer's order is transmitted to the floor where it is crossed against the firm's house account and/or against other customer orders, subject to applicable exchange rules.¹³

significant impact on price. Unless professional judgment dictates otherwise, this research should include contacting the specialist to ascertain the extent of the specialist's interest in participating in the block at a specific price or prices.

Each stock listed on the NYSE is allocated to a specialist. The specialist, through his or her many roles, is responsible for maintaining the market's fairness, competitiveness and efficiency. At the beginning of each trading day, the specialist establishes a fair market price for each of his or her assigned stocks. The specialist also provides current market quotations to other brokers throughout the day. The specialist executes limit and stop orders for other brokers on a commission basis and maintains the limit order book. Moreover, the specialist is obligated to maintain "orderly markets" in his or her assigned stocks by making sure that trading occurs throughout the day with minimal price fluctuations. Finally, the specialist acts as a dealer by buying stocks from the trading crowd when other bids are available or selling stocks to the trading crowd when other offers are not made. The specialist's goal is to minimize the temporary imbalance between public supply and demand.

¹²When positioning a block, the brokerage firm quotes a tentative price for the stock. Barring an extreme and unexpected movement in the price of the stock, the customer may be reasonably assured of execution at the quoted price. In "shopping the block," the firm contacts potential customers to take the opposite side at a specified price. The firm might be willing to negotiate this price depending on how interested other investors are in participating in the transaction. The firm continues to contact potential customers until there is a sufficient quantity of orders for the opposite side at a single price. At this point, the firm returns to its original customer to confirm his or her interest in the block transaction at the negotiated price, also known as the "clean-up price."

¹³A block transaction that is proposed to be priced within the current market bid-ask spread is subject to NYSE Rule 76, which governs cross trades. Under this rule, when the floor broker has an order to buy and an order to sell in the same security, the broker must "publicly offer such security at a price which is higher than his bid by the minimum variation permitted in such security before making a transaction with himself." All such bids and offers must be clearly announced to the trading crowd before the floor broker can proceed with the cross transaction.

A block transaction that is proposed to be priced outside of the current market quotation is subject to NYSE Rule 127. Under this rule, the floor broker

Continued

The success of the block trading procedures described above is dependent upon the particular market structure of the securities industry. As noted above, the specialist plays an extremely important role in managing the entire process. Moreover, the trading crowd for a particular stock may be substantially smaller than the floor population surrounding a designated contract market. Over the years, as well as in response to the Commission's Concept Release, certain market participants have suggested that the open and competitive execution requirement be relaxed to permit block trading procedures similar to those found in the securities industry. These commenters assert that such procedures can be adopted by contract markets with minimal adverse effects on market volume, liquidity, transparency, or customer protection. However, given the significant differences in market structure that exist between the securities and futures markets, it is questionable whether securities block trading procedures could be easily transferred to contract markets. Although the supporting comment letters generally urged the Commission to allow block trading procedures, they did not specify how these procedures should be implemented, whether the specialist's role should be replicated on the futures side, or the extent to which the trading crowd should be allowed to participate in a block transaction.

III. The Commission's Approach to Alternative Execution Procedures

Given the lack of consensus among the commenters responding to the

must: (1) Inform the specialist of his or her intention to cross the block orders at a specific price; (2) probe the market to determine whether more stock would be lost to orders in the trading crowd than is reasonable under the circumstances; (3) fill at least a portion of the limit orders previously entered at the trading post from the block orders; and (4) cross the remaining block orders at the negotiated clean-up price. NYSE Rule 127 sets forth the broker's obligation to fill the limit orders of the specialist and the trading crowd. Such obligations depend, in part, on whether the broker is handling agency orders for both sides of the block transaction or whether all or a part of one side of the block is for the brokerage firm's house account.

The Chicago Board Options Exchange ("CBOE") also has procedures which allow potential counterparties to negotiate the terms and conditions of certain complex and large size option orders prior to the time such orders are brought down to the trading floor. Under CBOE Rule 6.9, a member or member organization representing an order for an option traded on CBOE ("original order"), including spread, combination, straddle, or stock-option orders, may solicit a member, member organization, customer, or broker-dealer to transact in person or by order ("solicited order") with the original order. The priority of the solicited order is dependent upon the degree of disclosure of the original order to the trading crowd and upon whether the solicited order improves the market price.

Concept Release and among industry participants regarding the appropriate terms and conditions which should govern alternative execution procedures for large size or other types of orders, the Commission has decided to evaluate such procedures on a case-by-case basis. Under this approach, each contract market would, of course, retain the discretion whether to permit alternative execution procedures. Additionally, each contract market would have the ability to develop procedures that reflect the particular characteristics and needs of its individual markets and market participants. For example, a contract market might decide to employ different execution procedures for each of the individual contracts for which it is designated.

The Commission will consider proposals from contract markets to permit alternative execution procedures. The Commission encourages contract markets to solicit the input of, and coordinate with, various interested parties in the development of such execution procedures for large orders, including its membership, futures commission merchants, end-users, and industry associations. The Commission also notes that the ideas discussed in and the specific questions asked by the Concept Release provide general guidance as to the various issues that should be addressed by a contract market seeking Commission approval of particular alternative execution procedures. For example, a contract market should discuss the impact of its proposal on the usefulness of the contract market as a vehicle for price discovery and risk transfer, whether its proposal represents the least anticompetitive means of achieving its objective,¹⁴ whether the proposed transactions fulfill some need of market participants that traditional open outcry cannot fulfill as well, and whether the transaction are structured in such a way as to complement the competitive market.

Based on its experience in reviewing contract market proposals for alternative execution procedures, the Commission will determine whether any further Commission action is appropriate. As stated above, the Commission remains open to further written comments on the various topics surrounding potential alternative execution procedures. Moreover, Commission staff stands ready to discuss these issues with industry representatives.

¹⁴ See section 15 of the Act.

Issued in Washington, DC on June 4, 1999.

Jean A. Webb,

Secretary of the Commission.

[FR Doc. 99-14713 Filed 6-9-99; 8:45 am]

BILLING CODE 6351-01-M

DEPARTMENT OF DEFENSE

Department of the Army

Reserve Officers' Training Corps (ROTC) Program Subcommittee

AGENCY: U.S. Army Cadet Command, DOT.

ACTION: Notice of meeting.

SUMMARY: In accordance with section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92-463), announcement is made of the following committee meeting:

Name of Committee: Reserve Officers' Training Corps (ROTC) Program Subcommittee.

Dates of Meeting: July 12, 1999 thru July 13, 1999.

Place of Meeting: Executive Inn West, 830 Phillips Lane, Louisville, Kentucky 40209-1387.

Time of Meeting: 0830 to 1100 on July 12, 1999 and 0830-1430 on July 13, 1999.

Proposed Agenda: Review and discussion of the status of Army ROTC since the February 1999 meeting at the Pentagon, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Mr. Roger Spadafora, U.S. Army Cadet Command, ATCC-TE, Fort Monroe, Virginia 23651-5000; phone (757) 727-4595.

SUPPLEMENTARY INFORMATION: 1. The Subcommittee will review the significant changes in ROTC scholarships, missioning, advertising strategy, marketing, camps and on-campus training, the Junior High School Program and ROTC Nursing.

2. Meeting of the Advisory Committee is open to the public. Due to space limitations, attendance may be limited to those persons who have notified the Advisory Committee Management office in writing at least five days prior to the meeting of their intent to attend the meeting.

3. Any members of the public may file a written statement with the Committee before, during or after the meeting. To the extent that time permits, the Committee Chairman may allow public presentations of oral statements at the meeting.

4. All communications regarding the July 1999 meeting of the ROTC Program Subcommittee should be addressed to Mr. Roger Spadafora, U.S. Army Cadet