

Category	Adjusted limit <sup>1</sup>
647/648 .....	215,672 dozen.

<sup>1</sup> The limits have not been adjusted to account for any imports exported after December 31, 1998.

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,

Troy H. Cribb,

*Chairman, Committee for the Implementation of Textile Agreements.*

[FR Doc. 99-12896 Filed 5-20-99; 8:45 am]

BILLING CODE 3510-DR-F

## COMMODITY FUTURES TRADING COMMISSION

### Chicago Mercantile Exchange: Proposal To List Additional Contract Months in the CME Russian Ruble Futures Contract

**AGENCY:** Commodity Futures Trading Commission.

**ACTION:** Notice of availability of proposal to list new months in a commodity futures contract.

**SUMMARY:** The Chicago Mercantile Exchange (CME or Exchange) has submitted a proposal to list additional contract months in the CME Russian Ruble Futures Contract. Under the proposal, the CME would, as is the case with the currently listed June 1999 contract month, base the cash settlement price on two surveys performed by the CME clearing house at random times on the last day of trading.

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 June 7, 1999.

**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 proposal to list additional

contract months in the CME Russian Ruble 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:** On October 6, 1998, the Commission approved the suspension of listing of new contract months in the Russian ruble futures contract. In a letter to the CME dated December 9, 1998, the Commission approved proposed amendments to the cash settlement procedure of the Russian ruble futures contract and notified the CME that it was approving those proposed amendments for application to existing contract months only. The Commission also notified the CME in that letter that the CME must submit any proposal to list additional contract months pursuant to Commission Regulation 1.41(b) rather than the expedited procedure of Regulation 1.41(l).<sup>1</sup>

Under the CME's current cash settlement procedure, as approved by the Commission on December 9, 1998 for months listed through June 1999, the CME performs two surveys of financial institutions at randomly selected times during MICEX's afternoon System for Electronic Trading (SELT) session for transactions between commercial banks (currently conducted between 12 noon and 4:30 p.m. Moscow time) on each Moscow business day.<sup>2</sup> The final settlement price is the reciprocal of the average of the two rubles-per-dollar exchange rates calculated from the two surveys on the last trading day.

During each survey, the CME asks participants for two separate rubles per dollar exchange rates as well as an overnight interbank ruble interest rate. Those two rubles per dollar exchange rates are a "today rate" (the exchange rate for same-day settlement) and a "tomorrow rate" (the exchange rate for settlement on the next Moscow business day).<sup>3</sup> In its calculation of the final

<sup>1</sup> Commission Regulation 1.41(l) provides that an exchange proposal to list additional contract months in a futures or option contract will be deemed approved 10 days after receipt by the Commission if it does not provide for the listing of a contract month outside the currently established cycle of contract months.

<sup>2</sup> MICEX currently runs two daily trading sessions—a morning session for importers and exporters and an afternoon session for transactions between commercial banks.

<sup>3</sup> At the afternoon MICEX session, trading is currently allowed only for settlement on the next Moscow business day.

settlement price, the CME uses the today rate from each participant that provides a today rate. If any participant provides a tomorrow rate and overnight interest rate, but not a today rate, the CME calculates an "implied today rate" for such participants. The implied today rate is calculated using the interest rate parity relation based on the tomorrow rate, the overnight ruble interest rate, and the federal funds overnight U.S. dollar interest rate.<sup>4</sup> Thus, the result of any single survey (and, thus, the cash settlement price) could consist of a mixture of actual and implied today rates. In practice, given that trading for same day settlement is not permitted in the MICEX afternoon session, past cash settlement prices based on this procedure have consisted entirely of implied today rates.

In the event that the CME is unable to complete both daily surveys on the last trading day, the CME calculates the final settlement price based on two surveys, performed under the same procedures, conducted on the Moscow business day following the last trading day. If the CME is also unable to complete two surveys on the second day, then the final settlement price is based on the survey results from the most recent business day prior to the last trading day on which two surveys were successfully completed.

The CME proposes to implement the proposal to list additional contract months shortly after receipt of Commission approval. The CME characterized the Russian ruble contract as "an important hedging mechanism" and stated that, without additional contract months, the "international marketplace will lose the premier tool for managing Russian ruble vs. U.S. dollar price risk." The CME also affirmed that any basis risk that may be associated with positions in the ruble contract is less than the risk exposure that would be faced by hedgers in the absence of the ruble contract, since there is no other viable means to hedge ruble positions.

Moreover, with respect to susceptibility to manipulation, the CME stated in its submission that since the events that occurred last summer, "the Russian economy has stabilized and is taking steps to recovery." The CME noted that real consumer spending and industrial production have increased, while monthly inflation rates have decreased. In addition, the CME cited the Russian Finance Ministry claim that

<sup>4</sup> In this case, the tomorrow rate and overnight ruble interest rate used are average rates calculated from the daily survey results. The overnight federal funds rate is obtained from Telerate.

wage and pension arrears have been reduced and the government has paid all federal wage arrears. Moreover, according to the CME, Russia has reached agreements with the IMF and World Bank that would provide Russia with access to additional loans and the ability to negotiate with creditors to restructure existing debts. Further, Russia has restructured most of its domestic debt which had been frozen in August 1998.

The CME further noted that its CME/EMTA reference rate survey is widely accepted in the cash market. It was noted that the results of the survey, which is conducted daily, has been accepted as a rate source for non-deliverable forward Russian ruble-US Dollar transactions. That rate also has been approved by the Emerging Markets Traders Association, the Foreign Exchange Committee, and the International Swaps Dealers Association for settlement of U.S. dollar/Russian ruble transactions in the spot market. Thus, according to the CME, the CME/EMTA reference rate has become the de facto price discovery mechanism for the Russian ruble market. Moreover, the CME noted that the CME/EMTA reference rate survey was used successfully to cash settle the October, November, and December 1998 futures contracts and the March 1999 futures contract. Moreover, on each of those cash settlement days, at least eight survey participants provided quotes, consistent with the CME's existing contract terms and conditions regarding final cash settlement survey.

The Division requests comment on the proposal to list additional contract months. The Division specifically requests comment on whether the survey procedure has resulted, and will continue to result, in a cash settlement price that is reflective of the underlying cash market and otherwise meets the standards of the Commission's Guideline No. 1.<sup>5</sup> In that regard, the Division notes that the CME survey procedure is designed to obtain an exchange rate for same-day settlement during the afternoon MICEX session but that trading for same-day settlement is not currently permitted during that MICEX session. In its December 9, 1998 letter to the CME, the Commission approved the use of a today rate to settle existing contract months, in part because there were indications that futures prices in those contract months

were based on traders' expectations that the cash settlement price ultimately would be based on a today rate. The Division now requests comment on the appropriateness of using an implied today rate for newly listed months. The Division also requests comment on whether the CME procedure will continue to result in a cash settlement price that is not readily susceptible to manipulation or distortion in light of the degree of liquidity of the Russian ruble market and the restrictions on currency trading in Russia. Specifically, will the procedures used by the CME, including setting the cash settlement price based on two surveys conducted at random times, tend to prevent market participants from influencing the cash settlement price? Finally, in the current environment and given the proposed cash settlement provisions, can the Russian ruble contract be used for hedging or price discovery?

The proposal was submitted to the Commission under the Commission's 45-day Fast Track procedures of Commission Regulation 1.41(b)(2). In view of the limited review period under the Fast Track procedures, the Division has determined to publish for public comment notice of the proposal for 15 days, rather than 30 days as provided for proposals submitted under the regular review procedures.

Copies of the proposal will be available for inspection at the Office of the Secretariat, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st St., NW, Washington, DC 20581. Copies of the proposal can be obtained through the Office of the Secretariat by mail at the above address or by phone at (202) 418-5100.

Other materials submitted by the CME 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 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 the 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 proposal, or with respect to other materials submitted by the CME, should send such comments to Jean A. Webb, Secretary, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st St., NW, Washington, DC 20581 by the specified date.

Issued in Washington, DC, on May 17, 1999.

**John R. Mielke,**

*Acting Director.*

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## DEPARTMENT OF DEFENSE

### Office of the Secretary

#### Proposed Collection; Comment Request

**AGENCY:** Office of the Assistant Secretary of Defense for Health Affairs.

**ACTION:** Notice

In accordance with Section 3506 (c)(2)(A) of the Paperwork Reduction Act of 1995, the Office of the Assistant Secretary of Defense (Health Affairs) announces the proposed reinstatement of a public information collection and seeks public comment on the provisions thereof. Comments are invited on: (a) whether the proposed extension of collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the information collection; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the information collection on respondents, including through the use of automated collection techniques or other forms of information technology.

**DATES:** Consideration will be given to all comments received July 20, 1999.

**ADDRESSES:** Written comments and recommendations on the information collection should be sent to Office of the Assistant Secretary of Defense (Health Affairs) TRICARE Management Activity, Skyline Five, Suite 810, 5111 Leesburg Pike, Falls Church, Virginia 22041-3206.

**FOR FURTHER INFORMATION CONTACT:** To request more information on this proposed information collection, please write to the above address or call Michael Talisnik, Office of the Assistant Secretary of Defense (Health Affairs), TRICARE Management Activity at (703) 681-1752.

*Title; Associated Form; and OMB Number:* TRICARE Enrollment Application Form, OMB No. 0720-0008.

*Needs and Uses:* The collection instrument serves as an application form for enrollment in the TRICARE Health Care Delivery Program established in accordance with 10 USC 1099. The information collected hereby

<sup>5</sup>The Commission's Guideline No. 1 (17 CFR part 5, Appendix A, section (a)(2)(iii)) requires, for cash settled contracts, that the cash price series must be reflective of the underlying cash market and be reliable, acceptable, publicly available, and timely and not readily susceptible to manipulation.