

reports the demand for lemons is somewhat easier.

It is further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rulemaking, and postpone the effective date until 30 days after publication in the Federal Register (5 U.S.C. 553), because of insufficient time between the date when information became available upon which this regulation is based and the effective date necessary to effectuate the declared purposes of the act. Interested persons were given an opportunity to submit information and views on the regulation at an open meeting. It is necessary to effectuate the declared purposes of the act to make these regulatory provisions effective as specified, and handlers have been apprised of such provisions and the effective time.

List of Subjects in 7 CFR Part 910

Marketing agreements and orders, California, Arizona, Lemons.

PART 910—[AMENDED]

Section 910.704 is added as follows:

§ 910.704 Lemon regulation 404.

The quantity of lemons grown in California and Arizona which may be handled during the period March 27, 1983, through April 2, 1983, is established at 250,000 cartons.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Dated: March 24, 1983.

Charles R. Brader,
Deputy Director, Fruit and Vegetable
Division, Agricultural Marketing Service.

[FR Doc. 83-7951 Filed 3-24-83; 11:50 am]

BILLING CODE 3410-02-M

7 CFR Part 1040

Milk in the Southern Michigan Marketing Area; Order Suspending Certain Provisions of the Order

Correction

In FR Doc. 83-6971 beginning on page 11252 in the issue of Thursday, March 17, 1983, make the following correction on that page: In the third column, the fifth complete paragraph, the fifth line, the word "elevation" should read "evaluation".

BILLING CODE 1505-01-M

DEPARTMENT OF COMMERCE

International Trade Administration

15 CFR Parts 373 and 399

[Docket No. 30222-27]

New Processing Codes for the Commodity Control List

AGENCY: Office of Export Administration, International Trade Administration, Commerce.

ACTION: Interim rule with request for comments.

SUMMARY: The Commodity Control List (CCL), Supplement No. 1 to § 399.1 of the Export Administration Regulations, includes all commodities controlled for export by the U.S. Department of Commerce. Exporters must show the processing code for items they wish to export on their applications for export licenses and reexport requests, and the codes are then used internally by the Office of Export Administration (OEA) to facilitate the routing and processing of export license applications. OEA's Computer Division and the Electronic Equipment Division have been merged into one Scientific and Electronic Equipment Division, and new processing codes have been assigned. This rule, which neither expands nor limits the provisions of the Export Administration Regulations, revises the processing codes for many items listed on the CCL, and amends references to the processing codes in other Parts of the Regulations.

DATES: This rule is effective March 25, 1983. Comments must be received by the Department May 24, 1983.

ADDRESS: Written comments (six copies) should be sent to: Richard J. Isadore, Director, Operations Division, Office of Export Administration, U.S. Department of Commerce, P.O. Box 273, Washington, D.C. 20044.

FOR FURTHER INFORMATION CONTACT: Archie Andrews, Director, Exporters' Service Staff, Office of Export Administration, Department of Commerce, Washington, D.C. 20230 (Telephone: (202) 377-4811).

Rulemaking Requirements and Invitation To Comment

In connection with various rulemaking requirements, the Office of Export Administration has determined that:

1. Under section 13(a) of the Export Administration Act of 1979 (Pub. L. 96-72, 50 U.S.C. app. 2401 *et seq.*) ("the Act"), this rule is exempt from the public participation in rulemaking procedures of the Administrative Procedure Act.

However, because of the importance of the issues raised by these regulations

and the intent of Congress set forth in section 13(b) of the Act, these regulations are issued in interim form and comments will be considered in developing final regulations. These regulations may be revised before the end of the comment period. Accordingly, interested persons who desire to comment are encouraged to do so at the earliest possible time to permit the fullest consideration of their views.

2. This rule does not impose a burden under the Paperwork Reduction Act of 1980, 44 U.S.C. 3501 *et seq.*

3. This rule is not subject to the requirements of the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*

4. This rule is not a major rule within the meaning of section 1(b) of Executive Order 12291 (46 FR 13193, February 19, 1981), "Federal Regulation."

The period for submission of comments will close May 24, 1983. All comments received before the close of the comment period will be considered by the Department in the development of final regulations. While comments received after the end of the comment period will be considered if possible, their consideration cannot be assured. Public comments that are accompanied by a request that part or all of the material be treated confidentially because of its business proprietary nature or for any other reason will not be accepted. Such comments and materials will be returned to the submitter and will not be considered in the development of final regulations.

All public comments on these regulations will be a matter of public record and will be available for public inspection and copying. In the interest of accuracy and completeness, comments in written form are preferred. If oral comments are received, they must be followed by written memoranda which will also be a matter of public record and will be available for public review and copying. Communications from agencies of the United States Government or foreign governments will not be made available for public inspection.

The public record concerning these regulations will be maintained in the International Trade Administration Freedom of Information Records Inspection Facility, Room 4001-B, U.S. Department of Commerce, 14th Street and Pennsylvania Avenue, NW., Washington, D.C. 20230. Records in this facility, including written public comments and memoranda summarizing the substance of oral communications, may be inspected and copied in accordance with regulations published in Part 4 of Title 15 of the Code of

Federal Regulations. Information about the inspection and copying of records at the facility may be obtained from Patricia L. Mann, the International Trade Administration Freedom of Information Officer, at the above address or by calling (202) 377-3031.

List of Subjects in Parts 373 and 399

Exports.

Accordingly, the Export Administration Regulations (15 CFR Parts 373 and 399) are amended as follows:

PART 373—[AMENDED]

1. Paragraph (b)(4) of § 373.4 is revised to read as follows:

§ 373.4 Qualified general license.

(b) * * *

(4) Each application for a QGL shall be limited as follows—

(i) Processing Codes CM, CS, MT and TE: not more than 20 types of commodities or configurations;

(ii) Processing Code EE: not more than 50 types of electronic devices, sub-assemblies, assemblies, subsystems or systems.

* * *

PART 399—[AMENDED]

2. Paragraph (h) of § 399.1 is revised to read as follows:

§ 399.1 The Commodity Control List and how to use it.

* * *

(h) Processing Code.

For each ECCN on the Commodity Control List, a processing code, *i.e.*, CM, CS, EE, MT, SS, or TE, appears after the heading "PROCESSING CODE." You must show a processing code on your application for export license or reexport request, since the Office of Export Administration uses the codes to facilitate the internal routing and processing of export license applications. These processing codes stand for Chemicals and Materials (CM), Computer Systems (CS), Electronic Components and Instrumentation (EE), Microcomputers and Telecommunications (MT), Short Supply (SS), and Transportation and Capital Equipment (TE). You may enter only those ECCNs that have the same processing code on a single application for export license. (See § 372.4(d) for complete information on the inclusion of related commodities on a single application.)

* * *

3. The Commodity Control List, Supplement No. 1 to § 399.1, is amended

by revising the two-letter "processing code" of each CCL entry to read as listed beside the applicable CCL entry below:

Group 0—Metal-Working Machinery

2018A	TE
1075A	TE
1080A	TE
1081A	TE
1086A	TE
1088A	TE
1091A	TE
1093A	TE
4094B	TE
6096F	TE
6099G	TE

Group 1—Chemical and Petroleum Equipment

1110A	TE
1118A	TE
2120A	TE
4127B	TE
4128B	TE
1129A	TE
1131A	TE
3131A	TE
1133A	TE
1142A	CM
1145A	CM
6191F	TE
6199G	TE

Group 2—Electrical and Power-Generating Equipment

1203A	TE
4203B	TE
1205A	EE
1206A	TE
3261A	TE
4261B	TE
6299G	TE

Group 3—General Industrial Equipment

1305A	TE
1312A	TE
2317A	TE
2319A	TE
3336A	TE
4337B	TE
1352A	TE
1353A	TE
1355A	EE
1356A	TE
1357A	TE
1358A	TE
4360B	TE
1361A	TE
1362A	TE
3362A	TE
3363A	TE
4363B	TE
1370A	TE
1371A	TE
6390F	TE
6391F	TE
6392F	TE
6396G	TE
5399D	TE
6399G	TE

Group 4—Transportation Equipment

2404A	TE for items in paragraphs (a), (d), and (e); CM for all other items.
2406A	CM for items in paragraph (b); TE for all other items.
5406D	TE
2409A	TE
4409B	TE

2410A	TE
1416A	TE
1418A	TE
1431A	TE
4431B	TE
5431D	TE
1460A	TE
4460B	TE
5460F	TE
6460F	TE
5460B	CM
1485A	TE
6490F	TE
6499G	TE
9499M	MT

Group 5—Electronics and Precision Instruments

1501A	EE
1502A	EE
1505A	EE
1510A	TE
5510D	TE
1514A	EE
1516A	MT
4516B	MT
1517A	MT
4517B	MT
1518A	MT
1519A	MT
1520A	MT
1521A	EE
1522A	TE for paragraphs (c) and (d); EE for all other items.
1526A	MT
1527A	MT
1529A	MT for items in paragraph (b)(6); EE for all other items.
4529B	EE
4530B	TE
1531A	EE
1532A	TE
1533A	EE
1534A	TE
1537A	EE
1541A	EE
1542A	EE
1544A	EE
1545A	EE
1547A	EE
1548A	EE
1549A	EE
1553A	EE
1555A	EE
1556A	EE
1558A	EE
1559A	EE
1560A	EE
1561A	EE
1564A	EE
1565A	MT for telephone switching systems; CS for all other items.
5565D	CS
1568A	EE
5568D	TE
4569B	EE
1570A	EE
1571A	TE
1572A	EE
1584A	EE
1585A	CM
4585B	CM
5585D	CM
1586A	EE
1587A	EE
1588A	EE
4590B	CS
4592B	TE
1595A	TE
5595D	TE
5596D	TE

4597B	MT
5597B	CM for fingerprint equipment/ analyzers/ cameras; EE for all other items.
6599F	TE
6599G	CM for photographic equipment/film, n.e.s.; EE for all other items.
7599I	CM

Group 6—Metals, Minerals and their Manufactures

4601B	CM
2603A	TE
3604A	CM
3605A	CM
3607A	CM
3608A	CM
3609A	CM
2616A	TE
1631A	CM
1635A	CM
4635B	CM
4638B	CM
1648A	CM
1649A	CM
4654B	CM
1658A	CM
1661A	CM
1670A	CM
1671A	CM
1673A	CM
4674B	CM
4675B	CM
4676B	CM
4677B	CM
4678B	CM
5680B	CM
4698B	CM
4699G	CM
6099G	CM

Group 7—Chemicals, Metalloids, Petroleum Products and Related Materials

1701A	CM
1702A	CM
4707B	CM
2708A	CM
3709A	CM
3711A	CM
1715A	CM
4720B	CM
4721B	CM
1746A	CM
4746B	CM
1754A	CM
4754B	CM
1755A	CM
4755B	CM
1757A	CM
4757B	CM
1759A	CM
1760A	CM
1763A	CM
1767A	CM
4778B	SS
6779F	CM
1781A	CM
4781B	SS
4782B	SS
4783B	SS
4784B	SS
4799B	CM
5799D	CM
6799G	CM

Group 8—Rubber and Rubber Products

1801A	CM
6899G	CM

Group 9—Miscellaneous

5994G	CM
-------	----

4996B	SS
4997B	CM
4998B	CM
5998B	CM
6998F	CM
4999B	SS
5999B	CM
6999G	CM
7999I	CM
9999M	TE

(Secs. 13 and 15, Pub. L. 96-72, 93 Stat. 503, 50 U.S.C. app. 2401 *et seq.*; Executive Order No. 12214 (45 FR 29783, May 6, 1980))

Dated: March 18, 1983.

John K. Boldock,
Director, Office of Export Administration,
International Trade Administration.

(FR Doc. 83-7512 filed 3-24-83; 8:45 am)

BILLING CODE 3510-25-M

FEDERAL TRADE COMMISSION

16 CFR Parts 300, 301, and 303

Wool, Fur, and Textile Regulations

AGENCY: Federal Trade Commission.

ACTION: Final rule.

SUMMARY: The Federal Trade Commission has made minor modifications to the Rules and Regulations under the Wool Products Labeling Act of 1939, the Fur Products Labeling Act, and the Textile Fiber Products Identification Act. The amendments simplify forms used for seeking registered identification numbers and for filing continuing guaranties.

EFFECTIVE DATE: April 25, 1983.

FOR FURTHER INFORMATION CONTACT: Charles McGourty, Federal Trade Commission, Los Angeles Regional Office, Suite 13209, 11000 Wilshire Boulevard, Los Angeles, California 90024, (213) 209-7575.

SUPPLEMENTARY INFORMATION: The rule amendments simplify forms used under the textile, wool and fur labeling programs for seeking registered identification numbers and filing continuing guaranty forms. These changes eliminate unnecessary provisions and clarify the information required on each form.

Pursuant to provisions in the Wool Products Labeling Act of 1939 (15 U.S.C. 68 *et seq.*), the Fur Products Labeling Act (15 U.S.C. 69 *et seq.*) and the Textile Fiber Products Identification Act (15 U.S.C. 70 *et seq.*) manufacturers and others handling textile, wool and fur products who reside in the United States may, in lieu of listing their firm name on the product, list a registered identification number (RN). This number is issued by the Commission upon submission of a completed application form detailed in the regulations under each of the Acts.

Under these same Acts any person residing in the United States who markets or handles textile, wool or fur products may file a continuing guaranty with the Commission as a means of assuring their customers that their products are accurately labeled. Additionally, under the Textile Act a continuing guaranty may be given by a seller to an individual buyer. The continuing guaranty forms are detailed in the regulations under each of the Acts.

The current RN and continuing guaranty forms require the information to be notarized. In 1976 the Judicial Code (28 U.S.C. 1746) was amended to provide that where matters under federal law were formerly to be verified by notarization, it is now sufficient that these matters merely be sworn to without notarization. In the new forms provided by this amendment, notarization has been eliminated and forms for certification have been substituted.

The current regulations detail three different forms for the RN and three different forms for filing a continuing guaranty with the Commission. With the exception of designating which Act the continuing guaranty is filed under, all other information is the same. The Commission perceives no advantage in continuing to require use of individual forms for each Act. Consequently, the amendment provides for the use of a common form for RN applications and a common form for filing a continuing guaranty with the Commission.

Each of the new consolidated forms has been reviewed to ensure that they clearly define the information required.

The normal notice and comment procedures of the Administrative Procedure Act (5 U.S.C. 553) are unnecessary for these amendments. See 5 U.S.C. 553(b)(3). The amendments are only routine or technical in nature. They simply make the rules comply with the Judicial Code and clarify the instructions necessary for filing an RN application or a continuing guaranty. Because of the routine and technical nature of the changes, the Commission does not believe a public proceeding would be beneficial.

List of Subjects

16 CFR Part 300

Labeling, Textile, Trade practices, Warranties, Wool.

16 CFR Part 301

Furs, Labeling, Sheep, Trade practices, Warranties.

16 CFR Part 303

Labeling, Textile, Trade practices.

PART 300—[AMENDED]**PART 301—[AMENDED]****PART 303—[AMENDED]**

Accordingly, Parts 300, 301, and 303 of 16 CFR Chapter I are amended as set forth below.

Authority: For Part 300—15 U.S.C. 68 *et seq.*

For Part 301—15 U.S.C. 69 *et seq.*

For Part 303—15 U.S.C. 70 *et seq.*

BILLING CODE 6750-01-M

1. Sections 300.4(e), 301.26(d) and 303.20(d) are amended by substituting the following form for the current version (all other text in the affected sections is not changed):

APPLICATION FOR A REGISTERED IDENTIFICATION NUMBER

Approved by OMB
3084-0038
Expires 11/1/84

1. LEGAL NAME OF APPLICANT FIRM

2. NAME UNDER WHICH APPLICANT DOES BUSINESS, IF DIFFERENT FROM LEGAL NAME

3. TYPE OF COMPANY:

☐ PROPRIETORSHIP

☐ PARTNERSHIP

☐ CORPORATION

4. ADDRESS OF PRINCIPAL OFFICE OR PLACE OF BUSINESS (Include Zip Code)

5. TYPE OF BUSINESS (Put an 'X' in all the boxes that apply)

☐ MANUFACTURING

☐ IMPORTING

☐ WHOLESALE

☐ OTHER (Please specify) _____

6. LIST PRODUCTS

7. CERTIFICATION

The products listed in item six (6) above are subject to one or more of the following Acts: The Textile Fiber Products Identification Act (15 U.S.C. §§ 70-70k), The Wool Products Labeling Act (15 U.S.C. §§ 68-68j), or the Fur Products Labeling Act (15 U.S.C. §§ 69-69k). By filing this form with the Federal Trade Commission the company named above applies for a registered identification number to use on labels required by these Acts.

Under penalty of perjury, I certify that the information supplied on this form is true and correct.

8. NAME (Please print or type)

SIGNATURE OF PROPRIETOR, PARTNER, OR CORPORATE OFFICIAL

9. TITLE

10. DATE

INSTRUCTIONS

The Textile Fiber Products Identification Act, The Wool Products Labeling Act, or the Fur Products Labeling Act provide that any marketer or manufacturer of fibrous or fur products covered by those Acts may apply for a registered identification number. Companies can then use the registered identification number, instead of the name under which the Company does business, on the labels, tags, tickets, or stamps that those Acts require to be attached to covered products.

In completing this application, please observe the following:

- All blanks must be filled in. Include your Zip Code in Item 4.
- In Item 7 if the applicant firm is a partnership, a principal partner should sign. If a corporation, one of its principal officers should sign, giving his/her title in Item 9.

(c) Send one completed copy to:
Federal Trade Commission
Los Angeles Regional Office
11000 Wilshire Blvd., Suite 13209
Los Angeles, CA 90024

A registered identification number (RN) issued by the Commission continues in effect until revoked. The holder of the assigned number must immediately notify the Los Angeles Regional Office in writing of any change in business status. Any change in the address of the holder's principal office and place of business must also be promptly reported.

2. Sections 300.33(b), 301.48(a)(3) and 303.38(b) are amended by substituting the following form for the current version (all other text in the affected sections is not changed):

CONTINUING GUARANTY

Approved by OMB
3084-0036
Expires: 11/1/84

1. LEGAL NAME OF GUARANTOR FIRM

2. NAME UNDER WHICH GUARANTOR FIRM DOES BUSINESS, IF DIFFERENT FROM LEGAL NAME

3. TYPE OF COMPANY

☐ PROPRIETORSHIP

☐ PARTNERSHIP

☐ CORPORATION

4. ADDRESS OF PRINCIPAL OFFICE OR PLACE OF BUSINESS (Include Zip Code)

5. LAW UNDER WHICH THE CONTINUING GUARANTY IS TO BE FILED (Put an 'X' in the appropriate boxes)

☐ Under the Textile Fiber Products Identification Act (15 U.S.C. §§ 70-70k): The company named above, which manufactures, markets, or handles textile fiber products, guarantees that when it ships or delivers any textile fiber product, the product will not be misbranded, falsely or deceptively invoiced, or falsely or deceptively advertised, within the meaning of the Textile Fiber Products Identification Act and the rules and regulations under that Act.

☐ Under the Wool Products Labeling Act (15 U.S.C. §§ 68-68j): The company named above, which manufactures, markets, or handles wool products, guarantees that when it ships or delivers any wool product, the product will not be misbranded within the meaning of the Wool Products Labeling Act and the rules and regulations under that Act.

☐ Under the Fur Products Labeling Act (15 U.S.C. §§ 69-69k): The company named above, which manufactures, markets, or handles fur products, guarantees that when it ships or delivers any fur product, the product will not be misbranded, falsely or deceptively invoiced, or falsely or deceptively advertised, within the meaning of the Fur Products Labeling Act and the rules and regulations under that Act.

6. CERTIFICATION

Under penalty of perjury, I certify that the information supplied on this form is true and correct.

SIGNATURE OF PROPRIETOR, PRINCIPAL PARTNER, OR CORPORATE OFFICIAL

7. NAME (Please print or type)

8. TITLE

9. CITY AND STATE WHERE SIGNED

10. DATE

INSTRUCTIONS

The Textile Fiber Products Identification Act, the Wool Products Labeling Act, and the Fur Products Labeling Act provide that any marketer or manufacturer of fibrous or fur products or furs covered by those Acts may file a continuing guaranty with the Federal Trade Commission. A continuing guaranty on file assures customer firms that the guarantor's products are in conformance with the Act(s) under which the guarantor has filed. Customer firms rely on the continuing guaranties for protection from liability if violations occur.

In completing this form, please observe the following:

- (a) All appropriate blanks on the form should be filled in. Include your Zip Code in Item 4.
- (b) In Item 6, if the guarantor firm is a partnership, a principal partner should sign. If a corporation, one of its principal officers should sign, giving his/her title in Item 8.

(c) Send two completed copies to:

Federal Trade Commission
Los Angeles Regional Office
11000 Wilshire Blvd., Suite 13209
Los Angeles, CA 90024

Continuing guaranties filed with the Commission continue in effect until revoked. The guarantor must immediately notify the Los Angeles Regional Office in writing of any change in business status. Any change in the address of the guarantor's principal office or place of business must also be promptly reported.

DO NOT USE THIS SPACE

Filed _____ 19 ____

FEDERAL TRADE COMMISSION

3. Section 300.33(a)(2) is revised to read as follows:

§ 300.33 Continuing guaranty filed with Federal Trade Commission.

(a) * * *

(2) When filed with the Commission a continuing guaranty shall be fully executed in duplicate. Forms for use in preparing continuing guaranties will be supplied by the Commission upon request.

* * * * *

4. In § 301.48 paragraph (a)(4) is removed as repetitious of material in (a)(2) and paragraph (a)(1) is revised to read as follows:

§ 301.48 Continuing guaranties.

(a)(1) Under section 10 of the Act any person residing in the United States and handling fur or fur products may file a continuing guaranty with the Federal Trade Commission. When filed with the Commission a continuing guaranty shall be fully executed in duplicate. Forms for use in preparing continuing guaranties shall be supplied by the Commission upon request.

* * * * *

5. Section 303.37 is revised to read as follows:

§ 303.37 Form of continuing guaranty from seller to buyer.

Under section 10 of the Act, a seller residing in the United States may give a buyer a continuing guaranty to be applicable to all textile fiber products sold or to be sold. The following is the prescribed form of continuing guaranty from seller to buyer.

We, the undersigned, guaranty that all textile fiber products now being sold or which may hereafter be sold or delivered to — are not, and will not be misbranded nor falsely nor deceptively advertised or invoiced under the provisions of the Textile Fiber Products Identification Act and rules and regulations thereunder. This guaranty effective until —.

Dated, signed, and certified this — day of —, 19—, at — (City), — (State or Territory) — (name under which business is conducted.)

Under penalty of perjury, I certify that the information supplied in this form is true and correct.

Signature of Proprietor, Principal Partner, or Corporate Official

Name (Print or Type) Title

6. In § 303.38 paragraph (a)(1) is revised to read as follows:

§ 303.38 Continuing guaranty filed with Federal Trade Commission.

(a)(1) Under section 10 of the act any person residing in the United States and marketing or handling textile fiber products may file a continuing guaranty with the Federal Trade Commission. When filed with the Commission a continuing guaranty shall be fully executed in duplicate. Forms for use in preparing continuing guaranties will be supplied by the Commission upon request.

By direction of the Commission.

Benjamin I. Berman,
Acting Secretary.

[FR Doc. 83-7732 Filed 3-24-83; 8:45 am]
BILLING CODE 6750-01-M

COMMODITY FUTURES TRADING COMMISSION

17 CFR Part 1

Contract Market Rule Review Procedures; Delegation of Authority

AGENCY: Commodity Futures Trading Commission.

ACTION: Final rules.

SUMMARY: The Commodity Futures Trading Commission ("Commission") has determined that contract market rule proposals to modify the composition, computation or method of stock selection of particular indexes in which contract markets are designated to trade futures may be appropriate for automatic approval upon Commission receipt of notice of the proposals. The Commission recognizes, however, that there could be circumstances when such a modification to the terms and conditions of the contract should be reviewed by the Commission before implementation and not be deemed automatically approved. In order to permit the Commission to react as quickly as possible in such a circumstance, the Commission is adopting a rule delegating to the Division of Trading and Markets and the Division of Economics and Education the authority to determine that the proposed index change appears to require Commission review.

DATE: This rule is effective March 25, 1983.

FOR FURTHER INFORMATION CONTACT: Linda Kurjan, Assistant Director, Division of Trading and Markets, 2033 K Street, NW., Washington, D.C. 20581; (202) 254-8955.

SUPPLEMENTARY INFORMATION:

I. Introduction: Commission Rulemaking

Several commodity exchanges have been designated by the Commission as contract markets for futures contracts on various stock indexes. The Commission notes that the composition, computation and method of stock selection of those underlying indexes are often modified by the index originators. Because of the recent changes effected by the Futures Trading Act of 1982, such modifications technically are changes in the terms and conditions of the corresponding contracts requiring submission to and approval by the Commission under section 5a(12) of the Commodity Exchange Act before implementation by the contract markets.¹

The Commission has found that the modifications made by the index originators generally are routine and minor in nature. Moreover, the contract markets in many instances are given notice of the changes shortly before they are made effective by the entities from which the indexes originate. Consequently, the Commission has determined that, unless it notifies the contract market by the fastest means of communication available that a proposed change is not appropriate for automatic approval, changes in these contracts² resulting from routine changes in the underlying index will be deemed approved upon receipt. If the Commission determines that such a proposed rule change is not appropriate for automatic approval and so notifies the contract market, the rule proposal would become subject to review under section 5a(12) and Commission regulation 1.41(b).³ In order to react as

¹ 7 U.S.C. 7a(12) (Supp. V 1981) as amended by Futures Trading Act of 1982, Pub. L. No. 97-444, section 216(2), which requires every contract market to submit to the Commission for prior approval all rules "that relate to terms and conditions in contracts of sale to be executed on or subject to the rules of such contract market." The phrase "terms and conditions" is defined at 17 CFR 1.41(a)(2) (48 FR 4256 (January 28, 1983)).

² The Commission first determined to implement this policy concurrent with its designation of the Chicago Mercantile Exchange's Standard & Poor's Consumer Staple Index Futures Contract, designated by the Commission on February 22, 1983. As noted below, however, the Commission is notifying three other contract markets presently designated in stock index futures of the new policy concerning modification of the underlying indexes.

³ Before the recent amendment of section 5a(12) on January 11, 1983, by the Futures Trading Act of 1982, contract market rule proposals relating to contract terms and conditions were required to be submitted to the Commission as they are now, but the Commission had the authority to exempt proposals that were operational and administrative in nature from the requirement that approval be obtained before implementation. Accordingly, the Commission addressed the issue of index modification by treating the rule changes in the stock index contracts it designated at that time as