objectives of the Act. Guideline No. 1 requires exchanges to justify the contract's delivery specifications in light of the number and total capacity of facilities meeting contract requirements and the extent to which ownership and control of such facilities is dispersed or concentrated. 17 CFR part 5, Appendix A(a)(2)(C)(1) and (4). These proposed rule amendments do not raise particular issues under section 15.

However, on November 10, 1998, Cargill announced that it had signed an agreement to acquire Continental Grain Company's (Continental) commodity marketing business, including Continental's grain storage facilities in the United States. If this announced acquisition is consummated, Cargill potentially will own and operate both of the two delivery warehouse/shipping stations in the Chicago area and will take over one of the three delivery shipping stations in St. Louis. Under the agreement, Cargill also will acquire six barge loading facilities on the northern Illinois River and two facilities on the southern Illinois River. Cargill's ownership of potential delivery capacity on the new corn contract will increase from 13% to 34% and on the new soybean contract from 13% to 38%. This increased concentration potentially could raise significant issues under section 15 and could have a negative impact on the corn and soybean futures contracts.

The Cargill acquisition is under review by the United States Department of Justice. Until the Department of Justice acts to approve, disapprove or modify the terms of the acquisition, the acquisition will not be consummated. The Commission does not currently have sufficient information to determine its actual effect on the contract. The Commission will consider further this issue at such time as the acquisition occurs. However, in order to assist it in its analysis of this issue, the Commission directs the CBT carefully to monitor the 1999 corn and soybean futures contract expirations at all of its delivery locations to assess the impact of concentration of ownership or control of approved delivery facilities on the price convergence of the contracts. In addition, the CBT is directed to include such an analysis in its reports to the Commission on the revised corn and soybean futures contracts which are required under the section 5a(a)(10) Orders.

VI. Implementation

The CBT plans to apply the proposed amendments to the load-out provision to all corn and soybeans loaded out against shipping certificates delivered on the corn and soybean futures contracts on and after January 3, 2000. The CBT also proposes to apply the amendments to all corn and soybean warehouse receipts that are outstanding on January 3, 2000.

In reviewing whether proposed amendments can be applied to the terms of existing contracts, the Commission considers the effect any such amendments may have on the value of existing positions. In this regard, the proposed amendments to the soybean and corn futures contracts are proposed to apply to shipping certificates delivered against futures positions in certain currently-listed contract months that expire after January 3, 2000, and to all corn and soybean warehouse receipts that are outstanding on that date. The Commission specifically requested public comment on what effect, if any, the proposed amendments would have on the value of existing positions. 63 FR 65175. None of the commenters addressed this issue.

As discussed above, the proposed loading provisions would require the warehouse/shipping station operator to standardize loading requirements in Chicago for all deliveries regardless of mode of transport presented or commodity. They would not have an impact on the value of existing positions, and the Commission therefore approves the CBT's implementation plan under section 5a(a)(12) of the Act.

For the reasons discussed above, the Commission finds that none of the rule amendments proposed by the CBT would have a discernable impact on the level of deliverable supplies provided under the Commission's section 5a(a)(10) Orders or otherwise would violate the Act or Commission rules or policies.

Based on this finding, the Commission hereby approves under sections 5a(a)(12) and 5a(a)(10) of the Act, 7 U.S.C. 7a(a)(12) and 7a(a)(10), amendments to the CBT's corn and soybean futures contracts as shown in attachment 1 to this Order and amends the Commission's Orders under section 5a(a)(10) of the Act of May 7, 1998, and November 7, 1997, making all changes necessary to effect the above approval.

Further, the Commission hereby directs the CBT carefully to monitor the 1999 corn and soybean futures contract expirations to assess the impact of concentration of ownership or control of approved delivery facilities on the price convergence of the contracts. In addition, the CBT is directed to include such an analysis in its reports to the Commission on the revised corn and soybean futures contracts which are required under the section 5a(a)(10) Orders.

Dated: January 25, 1999.

By the Commission.

Jean A. Webb,

Secretary of the Commission.

Attachment 1.—Rules and Regulations Approved by the Commission for the Chicago Board of Trade's Corn and Soybean Futures Contracts

Corn
- 1009.00
- 1009.01
- 1049.03
- 1052.00
- 1052.00(d)
- 1052.00A
- 1081.00(11)
- 1081.01(12)A.
- 1081.01(12)B.
- 1081.01(12)C.
- 1081.01(12)E.
- 1081.01(12)H.
- 1085.01

Soybeans
- 1009.00
- 1049.03
- 1052.00
- 1052.00(d)
- 1052.00A
- 1081.00(11)
- 1081.01(12)A.
- 1081.01(12)B.
- 1081.01(12)C.
- 1081.01(12)E.
- 1081.01(12)H.
- 1085.01

Issued in Washington, DC, this 25th day of January, 1999, by the Commodity Futures Trading Commission.

Jean A. Webb,

Secretary of the Commission.

[FR Doc. 99–2303 Filed 1–29–99; 8:45 am]

BILLING CODE 6351–01–M

DEPARTMENT OF DEFENSE

Suspension of the Price Evaluation Adjustment for Small Disadvantaged Businesses

AGENCY: Department of Defense (DoD).

ACTION: Notice of 1-year suspension of the price evaluation adjustment for small disadvantaged businesses.

SUMMARY: The Director of Defense Procurement has suspended the use of the price evaluation adjustment for small disadvantaged businesses (SDBs) in DoD procurements as required by 10 U.S.C. 2323(e)(2), as amended by section 801 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999, because DoD exceeded its 5 percent contract goal for awards to SDBs in fiscal year 1998. The suspension will be in effect for 1 year and will be reevaluated based on the

level of DoD contract awards to SDBs achieved in fiscal year 1999.

DATES: Effective Date: February 24, 1999.

Applicability Date: This suspension applies to all solicitations issued during the period from February 24, 1999, to February 23, 2000.

FOR FURTHER INFORMATION CONTACT: Ms. Susan Schneider, PDUSD (A&T), Director of Defense Procurement, Defense Acquisition Regulations Council, 3060, Defense Pentagon, Washington, DC 20301–30962, telephone (703) 602–0131.

SUPPLEMENTARY INFORMATION: Pursuant to the authority granted in 10 U.S.C. 2323(e), DoD has previously granted SDBs a 10 percent price preference in certain acquisitions. This price preference was initially implemented in the Defense Federal Acquisition Regulation Supplement, Subpart 219.70. Beginning October 1, 1998, the price preference program was removed from the Defense Federal Acquisition Regulation Supplement and was implemented, in revised form, for all agencies subject to the Federal Acquisition Regulation in Subpart 19.11 of that regulation.

Section 801 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261) amended 10 U.S.C. 2323(e)(3) to prohibit DoD from granting such a price preference for a 1-year period following a fiscal year in which DoD achieved the 5 percent goal for contract awards established in 10 U.S.C. 2323(a). Since, in fiscal year 1998, DoD exceeded this 5 percent goal, use of this price preference in DoD acquisitions must be suspended for a 1-year period.

Michele P. Peterson,

Executive Editor, Defense Acquisition Regulations Council.

[FR Doc. 99–2234 Filed 1–29–99; 8:45 am]

BILLING CODE 5000–04–M

DEPARTMENT OF DEFENSE

Department of the Army

Proposed Implementation of the Defense Table of Official Distances (DTOD) in the DoD Freight Program

AGENCY: Military Traffic Management Command, DoD.

ACTION: Final notice (policy statement).

SUMMARY: The Department of Defense (DoD) has decided as a matter of procurement policy and internal agency procedure to change the distance calculation source for payment and audit under DoD freight program. Beginning on the effective date set forth below, the DoD will use the DTOD for computing highway distances for freight shipments, hazardous material shipments, and overweight/overdimensional shipments. Carriers and providers participating in the DoD freight program must agree to be bound by the DTOD distance calculation for payment and audit purposes in all procurements using mileage-based rates. This policy decision is in furtherance of DoD's goal to use a single integrated, electronic distance calculation source for its travel entitlement, passenger traffic, personal property, and freight programs.

EFFECTIVE DATE: April 1, 1999.

FOR FURTHER INFORMATION CONTACT: Mr. Ed Dickerson (703) 681–6870 or Ms. Patty Maloney (703) 681–6586, Military Traffic Management Command, ATTN: MTTM-O, Room 108, 5611 Columbia Pike, Falls Church, VA 22041–5050.

SUPPLEMENTARY INFORMATION:

1. Background

In furtherance of DoD's goal of making its transportation programs, including travel entitlement, passenger traffic, personal property, and freight, more standard, economical and efficient, the DoD Comptroller tasked MTMC to find a commercially available, integrated, automated distance calculation source capable of supporting all DoD transportation and travel related requirements. After an extensive proof-of-concept and market analysis phase, MTMC contracted for delivery and installation of a commercial-off-the-shelf distance calculation system adaptable to DoD transportation and entitlement programs. The DTOD, commercially known as PC*MILER by ALK Associates, Inc., will become the DoD standard, automated source for surface vehicular distance information worldwide. A notice of proposed implementation of DTOD in the DoD freight transportation program was published in the **Federal Register**, vol. 63, no. 178, pages 49338–49339, Tuesday, September 15, 1998. In response to this notice, 14 comments were received; of which 10 were from freight carriers, three from carrier associations, and one from Rand McNally. The comments and responses are as follows:

Comment: ALK's PC*MILER is a cost-effective database and would benefit small businesses.

Response: MTMC is aware that DTOD's commercial counterpart, ALK's PC*MILER, is currently used successfully in the commercial sector by shippers and carriers of various sizes and business objectives. MTMC believes that DTOD can be fully integrated with existing commercial transportation systems and can be used by DoD shippers and carriers with equal success.

Comment: The cost to purchase and maintain a separate distance calculation product for DoD shipments is too high.

Response: MTMC is aware of the economic impact implementation of DTOD may have on freight carriers, particularly small businesses. Therefore, MTMC did not mandate that carriers purchase and maintain DTOD in order to participate in the DoD freight program. Instead, MTMC only requires that participating carriers agree to be bound by DTOD mileage for payment and audit purposes. MTMC believes that carriers may choose to adapt to the DTOD implementation in a variety of ways, to include:

(1) Carriers not purchasing DTOD may rely on the payment process to identify the distance used for payment; (2) Carriers may subscribe to the DTOD-compliant commercial product (PC*MILER) through the Internet for an estimated $375 per 500 lookups; (3) Carriers may purchase and install ALK's PC*MILER in a manner best suited to their own business strategies and computer operations; (4) Carriers may explore the possibility of acquiring hard copy versions of PC*MILER; (5) Carriers may rely on the comparison of variances between Rand McNally's Milemaker and ALK's PC*MILER distances for the 124 busiest traffic lanes. Copies of the comparison are available on request. Additionally, MTMC is exploring automated methods of annotating all GBL's to reflect the DTOD distance.

Comment: Serving the commercial market and participating in the DoD freight program will require carriers to purchase and maintain two different systms—one for DoD and another for commercial customers.

Response: MTMC does not require carriers to purchase PC*MILER and maintain two different distance systems. Carriers may continue to use the mileage software they are currently using. However, for DoD shipments, payment and audit will be based on the DTOD distance calculations. Carriers will have the options listed in the first comment or other options suited to each carrier's business strategy/business relationship and market situation.

Comment: DTOD is a DoD-unique product and not the commercial standard in the freight industry.

Response: DTOD is a commercial product and is, therefore, consistent with commercial business practices. DTOD is based on ALK's PC*MILER,