

reporting requirements and revises a permit special condition. The permit holder possesses a 5-year scientific research permit to take listed sea turtles incidentally taken in foreign and domestic commercial fisheries operating in state waters and the Exclusive Economic Zone in the Northwest Atlantic Ocean. The work will be conducted by scientific observers aboard commercial fishing vessels. This research supports the National Marine Fisheries Service's mission of assessing the impacts of commercial fisheries on marine resources of interest to the United States. Amendment #1 to Permit 1178 was issued on May 31, 2000, authorizing take of listed species. Permit 1178 expires December 21, 2003.

Notice was published on January 14, 2000 (65 FR 2381) that Dr. Llewellyn M. Ehrhart, of the University of Central Florida, Dept of Biological Science applied for a scientific research permit (1231). The Recovery Plan for the U.S. Population of Atlantic Green Turtle states that the foremost problem in management and conservation of sea turtles is the lack of basic biological information. This study proposes to capture turtles living in the Indian River Lagoon Estuary of central Florida in Brevard and Indian River counties. The data provided by the study will include information regarding habitat requirements, seasonal distribution and abundance, movement and growth, feeding preferences, sex distribution and the prevalence and severity of fibropapilloma. Permit 1231 was issued on May 31, 2000, authorizing take of listed species. Permit 1231 expires March 31, 2005.

Dated: June 5, 2000.

Wanda L. Cain,

Chief, Endangered Species Division, Office of Protected Resources, National Marine Fisheries Service.

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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[I.D. 051000A]

Marine Mammals; Permit No. 1004 (P595)

AGENCY: National Marine Fisheries Service, (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Scientific research permit amendment.

SUMMARY: Notice is hereby given that a request for amendment of scientific research no. 1004 submitted by the Whale Conservation Institute/Ocean Alliance, 191 Weston Road, Lincoln, MA 01773, has been granted.

ADDRESSES: The amendment and related documents are available for review upon written request or by appointment, in the following offices:

Permits Division, Office of Protected Resources, NMFS, 1315 East-West Highway, Room 13705, Silver Spring, MD 20910 (301/713-2289); and

Director, Northeast Region, NMFS, One Blackburn Drive, Gloucester, MA 01930-2298 (508/281-9250).

FOR FURTHER INFORMATION CONTACT: Ruth Johnson, 301/713-2289.

SUPPLEMENTARY INFORMATION: February 11, 2000, notice was published in the **Federal Register** (65 FR 6997) that an amendment of permit no. 1004, issued June 21, 1996 (61 FR 33906) had been requested by the above-named organization. The requested amendment has been granted under the authority of the Marine Mammal Protection Act of 1972 as amended (16 U.S.C. 1361 *et seq.*), the Regulations Governing the Taking and Importing of Marine Mammals (50 CFR part 216), the Endangered Species Act of 1973 as amended (ESA, 16 U.S.C. 1531 *et seq.*), and the regulations governing endangered and threatened species (50 CFR parts 222-226).

Permit No. 1004 has been amended to: (1) extend the expiration date of the permit to December 31, 2000; (2) increase the number of imported tissue samples from all species, except southern right whale (*Eubalaena australis*); and (3) increase locations from which samples may be imported.

Issuance of this amendment as required by the ESA of 1973 was based on a finding that the permit: (1) was applied for in good faith; (2) will not operate to the disadvantage of the endangered species which is the subject of this permit; and (3) is consistent with the purposes and policies set forth in Section 2 of the ESA.

Dated: June 5, 2000.

Ann D. Terbush,

Chief, Permits and Documentation Division, Office of Protected Resources, National Marine Fisheries Service.

[FR Doc. 00-14674 Filed 6-8-00; 8:45 am]

BILLING CODE 3510-22-F

COMMODITY FUTURES TRADING COMMISSION

Application of BrokerTec Futures Exchange, L.L.C. for Designation as a Contract Market in U.S. Treasury Note and U.S. Treasury Bond Futures Contracts

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice of availability of the terms and conditions of proposed commodity futures contracts.

SUMMARY: BrokerTec Futures Exchange, L.L.C. ("BTEX" or "Exchange") has applied for designation as a contract market for the automated trading of futures contracts on short-term U.S. Treasury Notes (2 Year), medium-term U.S. Treasury Notes (5 Year), long-term U.S. Treasury Notes (6½-10 Year), and U.S. Treasury Bonds (15-30 Year) on an electronic trading system, the BrokerTec Execution Capability ("BTEC") trading system.

The Exchange has not previously been approved by the Commodity Futures Trading Commission ("Commission") as a contract market in any commodity. Accordingly, in addition to the terms and conditions of the four proposed futures contracts, BTEX has submitted to the Commission a proposed trade-matching algorithm; proposed bylaws and rules pertaining to BTEX membership, governance, trading standards and disciplinary and arbitration procedures; and various other materials to meet the requirements for a board of trade seeking initial designation as a contract market. BTEX's submission also includes various proposed bylaws and rules of the BrokerTec Clearing Company, L.L.C. ("BCC"), an affiliate that would be responsible for clearing and settlement functions for the Exchange.

Acting pursuant to the authority delegated by Commission Regulation 140.96, the Division of Economic Analysis and the Division of Trading and Markets have determined to publish the Exchange's proposal for public comment. The Divisions believe that publication of the proposal for comment at this time is in the public interest, will assist the Commission in considering the views of interested persons, and is consistent with the Commodity Exchange Act. The Divisions seek comment regarding all aspects of BTEX's application and addressing any issues commenters believe the Commission should consider.

DATES: Comments must be received on or before July 10, 2000.

FOR FURTHER INFORMATION CONTACT:

With respect to questions about the terms and conditions of BTEX's proposed futures contracts, please contact Michael A. Penick, Industry Economist, Division of Economic Analysis, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, Dc 20581; telephone number (202) 418-5279; facsimile number (202) 418-5527; or electronic mail: mpenick@cftc.gov. With respect to BTEX's and BCC's other proposed rules, please contact Duane C. Andresen, Special Counsel, Division of Trading and Markets, at the same address; telephone number: (202) 418-5492; facsimile number (202) 418-5536; or electronic mail: dandresen@cftc.gov.

SUPPLEMENTARY INFORMATION:**I. Description of Proposal**

By letter dated and received May 8, 2000, BTEX, an affiliate of BrokerTec Global, L.L.C. ("BrokerTec"), which includes 12 of the world's largest debt and capital markets dealers as its shareholders,¹ has applied to the Commission for designation as a contract market for electronic trading of futures contracts on short-term U.S. Treasury Notes (2 Year), medium-term U.S. Treasury Notes (5 Year), long-term U.S. Treasury Notes (6½-10 Year), and U.S. Treasury Bonds (15-30 Year). The Exchange has not previously been approved as a contract market in any commodity. Thus, in addition to the terms and conditions of the four proposed futures contracts, BTEX has submitted, among other things, a proposed trade-matching algorithm and proposed bylaws and rules pertaining to BTEX membership rights and obligations, governance, trading standards and disciplinary and arbitration procedures. BTEX's submission also includes various proposed BCC bylaws and rules.

BTEX is organized as a Delaware limited liability company with three classes of shares. Class A shares would be held by BrokerTec or an affiliate thereof, and possibly other entities with whom BrokerTec may become associated.² Class B shares would be

held by BTEX clearing members in proportion to their contributions to the BCC Guaranty Fund, thereby providing them with the ability to participate in the governance of BTEX in proportion to the amount of capital they would have at risk in connection with trading at BTEX. Class C shares would be held by BTEX members who were on non-clearing members. Once operational, the Exchange would be governed by a Board of Directors ("Board"), which would include one Class A Director, ten Class B directors, one Class C Director, and three public Directors, chosen by the Board. At its annual meeting, the Board would appoint a chairman of the Board, President, Secretary, and Treasurer, and could appoint one or more Vice Presidents, Assistant Secretaries, Assistant Treasurers, and such other officers as may be required.³ The President would be the chief executive officer of the Exchange. BCC would similarly be governed by a Board of Directors that would, among other things, appoint a President as chief executive officer of the company.⁴

that may be declared or paid by the Exchange, including upon liquidation.

³ Other Board responsibilities would include, among others, setting executive compensation, imposing dues or other charges upon Class B and Class C members of the Exchange, imposing or reducing fees or charges for contracts effected on or subject to the Exchange's rules, and appointing the following committees: Adjudication, Appeals, Arbitration, Business Conduct, Membership, Nominating, and Trade Review. Certain specified actions relating to corporate and business matters, such as mergers or acquisitions, joint ventures or similar arrangements, and eligibility standards for membership, may be taken by a majority of the Class A Directors, regardless of the votes of other members of the Board, and may not be taken without the concurrence of a majority of the Class A Directors. Certain other specified matters, including appointment of a chief executive officer and any action to approve or modify the Exchange's budget, may be taken only with the concurrence of a majority of the Class A Directors.

⁴ BCC is organized as a Delaware limited liability company with two classes shares. Class A shares would be held by BrokerTec or an affiliate thereof, and possibly other entities with whom BrokerTec may become associated. Class B shares would be held by BCC members in proportion to their contributions to the BCC Guaranty Fund, thereby providing them with the ability to participate in the governance of BCC in proportion to the amount of capital they would have at risk in the BTEX market. Once operational, BCC would be governed by a Board of Directors comprised of one Class A Director and eight Class B Directors. Dividends or other distributions that may be declared or approved by BCC's Board of Directors would be payable as follows: 75 percent to holders of Class A stock and 25 percent to holders of Class B stock. Certain specified actions relating to corporate and business matters, such as mergers, consolidations, joint ventures, alliances or similar arrangements, and the creation of any new class of members, may be taken by a majority of the Class A Directors, regardless of the votes of other members of the Board of Directors, and may not be taken without the concurrence of a majority of the Class A Directors. Certain other specified matters, including

Eligibility requirements for BTEX membership would include demonstration of operational capabilities deemed appropriate by the Exchange in light of the applicant's anticipated type and level of trading activity. A non-clearing member would be required to make a security deposit, purchase one share of Class C stock, and file an agreement under which a clearing member would agree to accept for clearing any transactions effected by the non-clearing member which were not accepted for clearing by any other clearing member. Any Exchange member could become a clearing member, provided that it met certain net capital and other specified requirements, including operational capacity. A clearing member would be required to purchase a number of Class B shares that is approximately the same proportion of the total number of outstanding shares of Class B stock as the amount required to be deposited by the clearing member into BCC's Guaranty Fund bears to the total amount required to be on deposit in the Guaranty Fund.⁵ Each member would be responsible for diligently supervising all activities of its employees relating to transactions affected on the Exchange or subject to its rules, including those employees who have access to BTEX ("Authorized Traders"). Each member would also be required to establish a working connection with BTEX and be responsible for training and testing its employees with respect to BTEX rules and the proper use of BTEX and of any terminal or other device used for obtaining access thereto.

BTEX contracts would trade over BTEX, an electronic trading system that will be based on a customization of the OM CLICK Exchange System. The OM CLICK Exchange System, provided by OM Technology AB ("OM"), is used by more than ten exchanges worldwide. BTEX will also be based on the BrokerTec fixed income cash market trading system that has been developed by OM and is scheduled to commence operations in June 2000. OM would operate BTEX and provide facilities management and ongoing technical and other support.⁶

any action to dissolve, liquidate or wind up BCC, appointment of the President, and any action to approve or modify BCC's budget, may be taken only with the concurrence of a majority of the Class A Directors.

⁵ Required deposits would be determined in accordance with a formula based on cleared volume and open interest over the previous six months.

⁶ OM and BrokerTec have executed numerous agreements governing the design, development, and implementation of the BrokerTec trading platform, proprietary network, and facilities management support. The parties are currently completing

¹ Included as shareholders are the following: ABN AMRO Bank N.V., Banco Santander Central Hispano, S.A., Barclays Electronic Commerce Holdings, Inc., Credit Suisse First Boston, Inc., DB U.S. Financial Markets Holding Corporation, Dresdner Bank, AG, The Goldman Sachs Group, Inc., LB I Group, Inc., Merrill Lynch L.P. Holdings Inc., Morgan Stanley Dean Witter & Co., Salomon Brothers Holding Company Inc., and UBS (USA) Inc. BrokerTec's operating subsidiaries are headquartered in Jersey City, New Jersey, and London.

² Only the holders of Class A shares would be entitled to receive any dividends or distributions

Under the proposal, orders could be entered into BTEC only by or through BTEX members, who would be responsible for all orders placed through them.⁷ BTEC would accept orders for outright trades and calendar spreads.⁸ Orders entered would be required to include user identity (including member identity), series (listed contract month), bid or ask, price, quantity, validity time,⁹ and account or client. Except for bunched orders, each customer order entered into BTEC would be for one account.

BTEC would accept the entry of limit orders¹⁰ and market orders.¹¹ These orders would be executed pursuant to a trade-matching algorithm that would give first priority to orders at the best prices, and then give priority among orders at the same price based upon time of entry into BTEC.¹² Upon execution of transaction, transaction data would be automatically transmitted to the BCC for clearing. Trade data and bids and offers would also be provided to members through BTEC.¹³ Once executed, a member may cancel an erroneous transaction only if, among other things, the price of the transaction is outside the Board-specified No-Cancellation Range and the member advises the Exchange of the error within 10 minutes after the transaction was confirmed.

BTEC also would permit block trades, exchanges of futures for physicals

(“EFP”), and exchanges of futures for swaps (“EFS”). Specifically, BTEX would allow a block trade to be effected between a member’s customers, between the member and a customer, and between the member and any other member (acting for itself or its customers), subject to the parties meeting certain specified requirements. The minimum lot size for a block trade would be 250 lots, and the period within which the block trade would be required to be reported to the Exchange would vary, depending upon the size of the trade, *i.e.*, larger block trades would be reported within longer intervals than smaller block trades. BTEX would impose no parameters on the price at which the block trade could be executed.¹⁴

A member would be able to effect an EFP at any price as may be mutually agreed upon by the parties to the transaction without entering the transaction into BTEC. The commodity being exchanged would be required to have a high degree of price correlation to the underlying commodity for the futures contract such that the futures hedge for such commodity. A member would similarly be able to effect an EFS at any price as may be mutually agreed upon by the parties to the transaction without entering the transaction into BTEC. The fluctuations in the value of the swap would be required to have a high degree of correlation to fluctuations in the price of the underlying commodity for the futures contract being exchanged such that the futures contract would serve as an appropriate hedge for such swap. Block trades, EFPs, and EFSs would be submitted to the BCC for clearing at the time they are reported to the Exchange.

BCC would have its own financial resources (including a Guaranty Fund), market protection mechanisms, risk management staff, and internal controls in place in order to monitor risk exposure and maintain the financial integrity of BTEX and BCC. The amount that would be deposited and maintained in the Guaranty Fund by each clearing member would be equal to that

member’s proportionate percentage of volume and open interest. BCC would also have the ability to impose assessments on nondefaulting clearing members to meet a shortfall caused by the default of another clearing member, subject to specified limitations. BCC would secure an outside party to provide certain processing services with respect to clearing and settlement of BTEX contracts. Although the details of the duties that would be performed have not been finalized, any such operation would be conducted consistent with BCC rules.

BTEX’s provisions for compliance and surveillance programs would include market surveillance, trade practice surveillance, disciplinary functions, financial surveillance in cases where BTEX is the member firm’s self-regulatory organization, and arbitration. BTEX would secure an outside party to perform certain trade practice and market surveillance activities and other functions in support of the BTEX compliance program. The details of the surveillance techniques to be applied and the allocation of functions between BTEX and the third party have not been finalized.¹⁵

II. Request for Comments

Any person interested in submitting written data, views, or arguments on the proposal to designate BTEX should submit their views and comments by the specified date 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*. The Divisions seek comment on all aspects to BTEX’s application for designation as a new contract market. Reference should be made to BTEX’s application for designation as a contract market in U.S. Treasury Note and U.S. Treasury Bond futures contracts. Copies of each contract’s proposed terms and conditions are available for inspection at the Office of the Secretariat at the above address. Copies also may be obtained through the Office of the Secretariat at the above address or by telephoning (202) 418-5100.

¹⁵ The Exchange’s proposed disciplinary rules generally follow the provisions of Part 8 of the Commission Regulations. As previously noted, the Board would appoint Business Conduct, Adjudication, and Appeals Committees. Investigations of any suspected violation of Exchange bylaws or rules would be presented to the Business Conduct Committee. BTEX rules also would include summary proceedings, under which the compliance staff could summarily impose a fine against a member for certain types of violations.

definitive documentation governing the complete OM-BrokerTec relationship.

⁷ Customers of members may be able to place orders through automated order routing systems, but all such orders would have to pass through a server or other connection of an Exchange member.

⁸ Other types of combination trades may be introduced at a later date.

⁹ The validity time rules for an order would require that the order be one of the following: good until cancelled (expiration); good up to a specified number of trading days (maximum of 255 days); or good until the end of the trading day.

¹⁰ A limit order could be any of the following: (1) “fill or kill,” an order to be filled for the entire quantity against opposite orders open in BTEC or to be automatically canceled; (2) “fill and kill,” an order to be executed to the extent there are opposite orders open in BTEC, with any balance of the order to be automatically canceled; and (3) “fill and store,” an order to be executed to the extent there are opposite orders open in BTEC, with any balance of the order to remain an open order until it expires, is executed, or is canceled.

¹¹ A market order may be either “fill or kill” or “fill and kill.”

¹² Subject to this sequence, orders for combination trades would be executed and the legs thereof would be priced pursuant to an algorithm that gives priority to execution of each leg of the transaction as a separate transaction rather than to execution of the transaction at a differential, if the legs of the transaction are better than, or equal to, the differential price.

¹³ BTEX represents that it intends to make the trade data available on a commercial basis to trade dissemination vendors.

¹⁴ BTEX’s rules permit the Board to establish a market-maker program whereby members or their affiliates may be designated as market makers and may be granted benefits in return for assuming obligations in order to provide liquidity and orderliness in an Exchange market. Benefits accruing to market makers could include, among others, access to information regarding standing orders in BTEC, priority in the execution of transactions effected in the capacity of market maker, reduced transaction fees, and receipt of compensatory payments. The Board may also restrict the right to effect block trades only to members which are market makers.

Other materials submitted by BTEX may be available upon request pursuant to the Freedom of Information Act (5 U.S.C. 552), except to the extent that they are entitled to confidential treatment pursuant to 17 CFR 145.5 or 145.9. Requests for copies of such materials should be made to the Freedom of Information, Privacy and Sunshine Act compliance staff of the Office of the Secretariat at the Commission headquarters in accordance with 17 CFR 145.7 and 145.8.

Issued in Washington, DC, on June 5, 2000.

Alan L. Seifert,

Deputy Director.

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CONSUMER PRODUCT SAFETY COMMISSION

[CPSC Docket No. 00-C0010]

Red Rock Trading Co., Inc., a Corporation, and Blackjack Fireworks, Inc., a Corporation, Provisional Acceptance of a Settlement Agreement and Order

AGENCY: Consumer Product Safety Commission.

ACTION: Notice.

SUMMARY: It is the policy of the Commission to publish settlements which it provisionally accepts under the Federal Hazardous Substances Act in the **Federal Register** in accordance with the terms of 16 CFR 1118.20(e)-(h). Published below is a provisionally-

accepted Settlement Agreement with Red Rock Trading Co., Inc., a corporation, and Blackjack Fireworks, Inc., a corporation, containing a civil penalty of \$90,000.¹

DATES: Any interested person may ask the Commission not to accept this agreement or otherwise comment on its contents by filing a written request with the Office of the Secretary by June 24, 2000.

ADDRESSES: Persons wishing to comment on this Settlement Agreement should send written comments to the Comment 00-C0010, Office of the Secretary, Consumer Product Safety Commission, Washington, DC 20207.

FOR FURTHER INFORMATION CONTACT: Dennis C. Kacoyanis, Trial Attorney, Office of Compliance and Enforcement, Consumer Product Safety Commission, Washington, DC 20207; telephone (301) 504-0626, 1346.

SUPPLEMENTARY INFORMATION: The text of the Agreement and Order appears below.

Dated: June 5, 2000.

Sadye E. Dunn,
Secretary.

Settlement Agreement and Order

1. Red Rock Trading Company, Inc. (hereinafter, "Red Rock"), a corporation and Blackjack Fireworks, Inc. (hereinafter, "Blackjack"), a corporation enter into this Settlement Agreement and Order (hereinafter, "Settlement Agreement" or "Agreement") with the staff of the Consumer Product Safety Commission, and agree to the entry of the attached Order incorporated by

reference herein. The purpose of the Settlement Agreement is to settle the staff's allegations that Red Rock and Blackjack knowingly violated sections 4(a) and (c) of the Federal Hazardous Substances Act (FHSA), 15 U.S.C. 1263(a) and (c)."

I. The Parties

2. The "staff" is the staff of the Consumer Product Safety Commission (hereinafter, "Commission"), an independent regulatory commission of the United States government established pursuant to section 4 of the Consumer Product Safety Act (CPSA), 15 U.S.C. 2053.

3. Red Rock is a corporation organized and existing under the laws of the State of Nevada. Red Rock's corporate address is 6000 South Eastern, Suite 11E, Las Vegas, NV 89119. Red Rock imports and distributes consumer fireworks.

4. Blackjack is a corporation organized and existing under the laws of the State of Nevada. Blackjack's corporate address is 6000 South Eastern, Suite 11E, Las Vegas, NV 89119. Blackjack sells consumer fireworks.

II. Allegations of the Staff

5. On 19 occasions between December 14, 1994 and May 20, 1999, Red Rock and Blackjack introduced or caused the introduction in interstate commerce of 36 different kinds of fireworks devices (703,823 retail units) identified and described below that failed to comply with the Commission's Fireworks Regulations at 16 CFR Part 1507 and 16 CFR 1500.14(b)(7) and 1500.17(a)(3).

Collection date * Entry date	Sample No.	Product	Violation
12/14/94 *	T-830-7216	Bottle Rockets	Fuse Attachment.
05/08/95	T-830-4030	Candle Star	Fuse Burn Time, Side Ignition.
05/08/95	T-830-4162	News Transmitter	Fuse Attachment, Fuse Burn Time.
06/02/95	T-830-7345	Moon Traveller	Fuse Burn Time, Fuse Attachment.
09/26/96 *	96-860-6467	Jumping Jacks	Fuse Burn Time.
09/26/96 *	96-860-6468	Whistling Moon Traveller	Stick Rigidity.
09/26/96 *	96-860-6470	General Custer's Last Stand	Fuse Burn Time.
09/26/96 *	96-860-6472	Artillery Shell	Fuse Burn Time.
04/21/97 *	97-830-3219	Cobra Black Snake	Excess Arsenic.
04/21/97 *	97-860-3220	Battle of Colors	Excess Pyrotechnic, Composition.
05/15/97	97-830-4214	Night Shell	Fuse Burn Time.
05/15/97	97-830-4215	Overlord in Sky	Excess Pyrotechnic, Composition, Pyrotechnic Leakage.
05/15/97	97-830-4216	Battle of Colors	Excess Pyrotechnic, Composition, Fuse Burn Time, Burnout/Blowout.
06/19/97	97-830-3259	Spring Thunder	Excess Pyrotechnic, Composition.
06/19/97	97-830-3530	Rattles Colored Snakes	Excess Arsenic.
07/11/97	97-830-6350	Ninja Shell	Fuse Burn Time.
04/09/98	98-860-6074	News Transmitter	Fuse Burn Time.
04/09/98	98-860-6079	7 Shot Night Shell	Fuse Attachment, Tipover.
05/05/98	98-860-6848	Sky Travel Barrage	Fuse Burn Time.
05/21/98	98-860-6999	Victory Celebration	Fuse Attachment.

¹ Chairman Ann Brown and Commissioner Thomas H. Moore voted to provisionally accept the agreement. Commissioner Mary Sheila Gall voted to

reject the agreement. Chairman Brown and Commissioner Gall filed statements concerning their respective votes, copies of which are available

from the Office of the Secretary, Consumer Product Safety Commission, Washington, DC 20207.