Dear Commissioner: This directive amends, but does not cancel, the directive issued to you on December 20, 1996, by the Chairman, Committee for the Implementation of Textile Agreements. That directive concerns imports of certain cotton, wool and man-made fiber textile products, produced or manufactured in Egypt and exported during the twelve-month period which began on January 1, 1997 and extends through December 31, 1997.

Effective on September 17, 1997, you are directed to adjust the limits for the following categories, as provided for under the Uruguay Round Agreements Act and the Uruguay Round Agreement on Textiles and Clothing:

Category	Adjusted twelve-month level [1]
Fabric Group	
218–220, 224–227, 313–317 and 326, as a group.	97,305,756 square meters.
Sublevel within Fabric Group	
227	22,175,665 square meters.
Level not in a group	
338/339	3,052,092 dozen.

[1] The limits have not been adjusted to account for any imports exported after December 31, 1996.

The Committee for the Implementation of Textile Agreements has determined that these actions fall within the foreign affairs exception to 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. 97–24527 Filed 9–15–97; 8:45 am]

BILLING CODE 3510–DR–F

COMMODITY FUTURES TRADING COMMISSION

Strategic Plan

AGENCY: Commodity Futures Trading Commission.

ACTION: Request for comments.

SUMMARY: The Commodity Futures Trading Commission, in accordance with the requirements of the Government Performance and Results Act, has developed a draft Strategic Plan which was submitted to the Office of Management and Budget on August 15, 1997. The Commission is now soliciting comments on the draft plan.

DATES: Comments must be received on or before October 16, 1997.

ADDRESS: Comments on the strategic plan may be sent to Jean A. Webb, Secretary, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581. Comments may be sent by facsimile transmission to (202) 518–5528 or by electronic mail to secretary@cftc.gov. Reference should be made to ''Strategic Plan.''

FOR FURTHER INFORMATION CONTACT: Madge A. Bolinger, Office of Financial Management, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581 (202) 418–5180.

SUPPLEMENTARY INFORMATION: The Government Performance and Results Act, 5 U.S.C. 306 (''GPRA''), requires all agencies to develop and submit strategic plans to the Congress and the Office of Management and Budget no later than September 30, 1997. The Commission has developed its plan, ''Vision and Strategies for the Future: Facing the Challenges of 1997 through 2002,'' which establishes the goals, outcome objectives and strategies for the next five years. Public comment is now being sought on the strategic plan.

The Commission's draft Strategic Plan is set forth below.

Issued in Washington, DC, on September 8, 1997, by the Commission.

Jean A. Webb,

Secretary to the Commission.

Vision and Strategies for the Future: Facing the Challenges of 1997 Through 2002

Commodity Futures Trading Commission Strategic Plan 1997–2002

August 1997

Draft

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Vision Statement

For the years 1997 through 2002, the Commodity Futures Trading Commission will:

Preserve and promote the vital role America's commodity markets play in establishing fair prices for goods and services and managing the risks of their production, marketing, and distribution in the world economy.

Mission Statement

The mission of the Commodity Futures Trading Commission (CFTC) is to protect market users and the public from fraud, manipulation, and abusive practices related to the sale of commodity futures and options, and to foster open, competitive, and financially sound commodity futures and option markets.

Background

The Commodity Futures Trading Commission was created by Congress in 1974 as an independent agency with the mandate to regulate commodity futures and option markets in the United States. The agency's mandate was renewed and expanded in 1978, 1982, 1986, 1992, and 1995.

Today, the CFTC is responsible for ensuring the economic utility of futures markets by encouraging their competitiveness and efficiency, ensuring their integrity, and protecting market participants against manipulation, abusive trade practices, and fraud. Through effective oversight regulation, the CFTC enables the commodity futures markets better to serve their important function in the nation's economy of providing a mechanism for price discovery and a means of offsetting price risk.

Futures contracts for agricultural commodities have been traded in the U.S. for 150 years and have been under federal regulation since the 1920s. In recent years, futures trading has expanded rapidly into many new markets, beyond the domain of traditional physical and agricultural commodities. Futures and option contracts are now offered in a vast array of financial instruments, including foreign currencies, U.S. and foreign government securities, and U.S. and foreign stock indices.

Economic Benefits of Futures Trading

Why Were Futures Markets Created?

The frantic shouting and signaling of bids and offers on the trading floor of a futures exchange undeniably convey an impression of chaos. The reality, however, is that chaos is what futures markets replaced. Prior to the establishment of central grain markets in the mid-nineteenth century, the nation's farmers carted their newly harvested crops over plank roads to major population and transportation centers each fall in search of buyers. The seasonal glut drove prices to give-away levels and, indeed, to throw-away levels as grain often rotted in the streets or was dumped in rivers and lakes for lack of storage. Come spring, shortages frequently developed and foods made from corn and wheat became barely affordable luxuries. Through the year, it was each buyer and seller for him- or herself, with neither a place nor a mechanism for organized, competitive bidding. The first central markets were formed to meet that need. Eventually, contracts were entered into for forward as well as for spot (immediate) delivery. So-called forwards were the forerunners of present day futures contracts.

Spurred by the need to manage price and interest rate risks that exist in virtually every type of modern business, today's futures markets have also become major financial markets. Participants include mortgage bankers as well as farmers, bond dealers as well as grain merchants, and multinational corporations as well as food processors, lending institutions, and individual speculators.

Futures prices arrived at through competitive bidding are immediately and continuously relayed around the world by wire and satellite. A farmer in Nebraska, a merchant in Amsterdam, an importer in Tokyo, and a speculator in Ohio have simultaneous access to the latest market-derived price quotations. And, should they choose, they can establish a price level for future delivery—or for speculative purposes—simply by having their broker buy or sell the appropriate contracts. Images created by the fast-paced activity of the trading floor notwithstanding, regulated futures markets are a keystone of one of the world's most orderly, envied, and intensely competitive marketing systems.

Indeed, it is an example of a classical free market with many buyers and sellers, no one of whom has dominant market power, achieving an equilibrium price level through open exchange of supply and demand information.

Economic Benefits

In a competitive market economy, there is general agreement among economists that a market for a product would be perfectly competitive if:

- many buyers and sellers met openly, and no one individually controlled the market;
- the commodity was standardized so all knew the grade and quality of the product being traded; and
- buyers and sellers could enter the market freely, and participants had full knowledge of available supply and demand for their product.

While no market meets that ideal, futures markets come closer to it than most others and yield significant economic benefits:

- Price Discovery. With many potential buyers and sellers competing freely, futures trading is a very efficient means of determining the price level for a commodity. This is commonly referred to as price discovery.
- Hedging Risk. Futures markets give producers, processors, and users of commodities and financial instruments a means of passing the price risks inherent in their businesses to traders who are willing to assume those risks. In other words, commercial users of the markets can hedge—enter into an equal and opposite transaction to their cash market position in order to reduce the risk of financial loss due to a change in price—and, through hedging, lower their costs of doing business. This results in a more efficient marketing system and, ultimately, lower costs for consumers.
- Market Information. Since futures markets are national and worldwide in scope, they act as a focal point for the collection and dissemination of statistics and vital market information.

Profile of Market Users

Hedgers

The details of hedging can be somewhat complex, but the principle is simple. Hedgers are individuals and firms which make purchases and sales in the futures market solely for the purpose of establishing a known price level for something they later intend to buy or sell in the cash market (such as at a grain elevator or in the bond market). In this way, they attempt to protect themselves against the risk of an unfavorable price change in the interim. Or hedgers may use futures to lock in an acceptable differential between their purchase cost and their selling price.

The number and variety of hedging possibilities are extensive. A cattle feeder can hedge against a decline in livestock prices, and a meat packer or supermarket chain can hedge against an increase in livestock prices. Borrowers can hedge against higher interest rates, and lenders against lower interest rates. Investors can hedge against an overall decline in stock prices, and those who anticipate having money to invest can hedge against an increase in the overall level of stock prices.

Whatever their hedging strategy, a common denominator is that hedgers willingly give up the opportunity to benefit from favorable price changes in order to achieve protection against unfavorable price changes. In essence, they acquire a form of price insurance.

Speculators

If you were to speculate in futures contracts, the person taking the opposite side of your trade on any given occasion could be a hedger or another speculator-someone whose opinion about the probable direction of prices differs from your own.

Speculators are individuals or firms who seek to profit from anticipated increases or decreases in futures prices. In so doing, they help provide the risk capital needed to facilitate hedging.

Someone who expects a futures price to increase would purchase futures contracts in the hope of later being able to sell them at a higher price. This is known as "going long." Conversely, someone who expects a futures price to decline would sell futures contracts in the hope of later being able to buy back identical and offsetting contracts at a lower price. The practice of selling futures contracts in anticipation of lower prices is known as "going short."

One of the attractive features of futures trading is that it is equally easy to profit from declining prices (by selling) as it is to profit from rising prices (by buying).

Floor Traders

Floor traders, or locals, who buy and sell for their own accounts on the trading floors of the exchanges, play an important role as futures market participants. Like specialists and market makers at securities exchanges, they help to provide market liquidity. If there is not a hedger or speculator who is immediately willing to take the other side of an order at or near the going price, there may be a floor trader who will do so, in the hope of being able to make an offsetting trade at a small profit minutes or even seconds later. In the grain markets, for example, there is frequently only one-fourth of a cent per bushel difference between the prices at which a floor trader buys and sells.

Floor traders create more liquid and competitive markets. However, it should be noted that unlike market makers or specialists, floor traders are not obligated to maintain a liquid market or to take the opposite side of customer orders.

Current Perspective on the Industry

U.S. Commodity Exchanges

There are 11 commodity exchanges in the United States, located in six cities. These self-regulatory organizations are responsible, subject to CFTC oversight, for the operation of the exchange and the business conduct and financial responsibility of their member firms.

History

As the economy of the United States expanded during the early part of the nineteenth century, the commodity exchanges evolved from unorganized club-like associations into formalized exchanges. In 1848, the first formal exchange, the Chicago Board of Trade, was established with 82 members. And on March 13, 1851, the first contract was traded on this exchange, encouraged by the trading standards, inspections system, and weighing system prescribed by the board members.

Trading on the Chicago Board of Trade was considerable, and by 1870 futures trading also began on the New York Produce Exchange and the New York Cotton Exchange. By 1885, the New York Coffee Exchange was actively trading futures contracts. Since the second half of the nineteenth century, the growth of these exchange institutions has been steady and continuous-evolving into the 11 U.S. commodity exchanges, designated as contract markets by the CFTC, that are used today.

The total volume of futures contract and option trading on all exchanges in the United States now has a notional value of billions of dollars per day. The commodity exchanges have become an indispensable financial tool for the world's markets.

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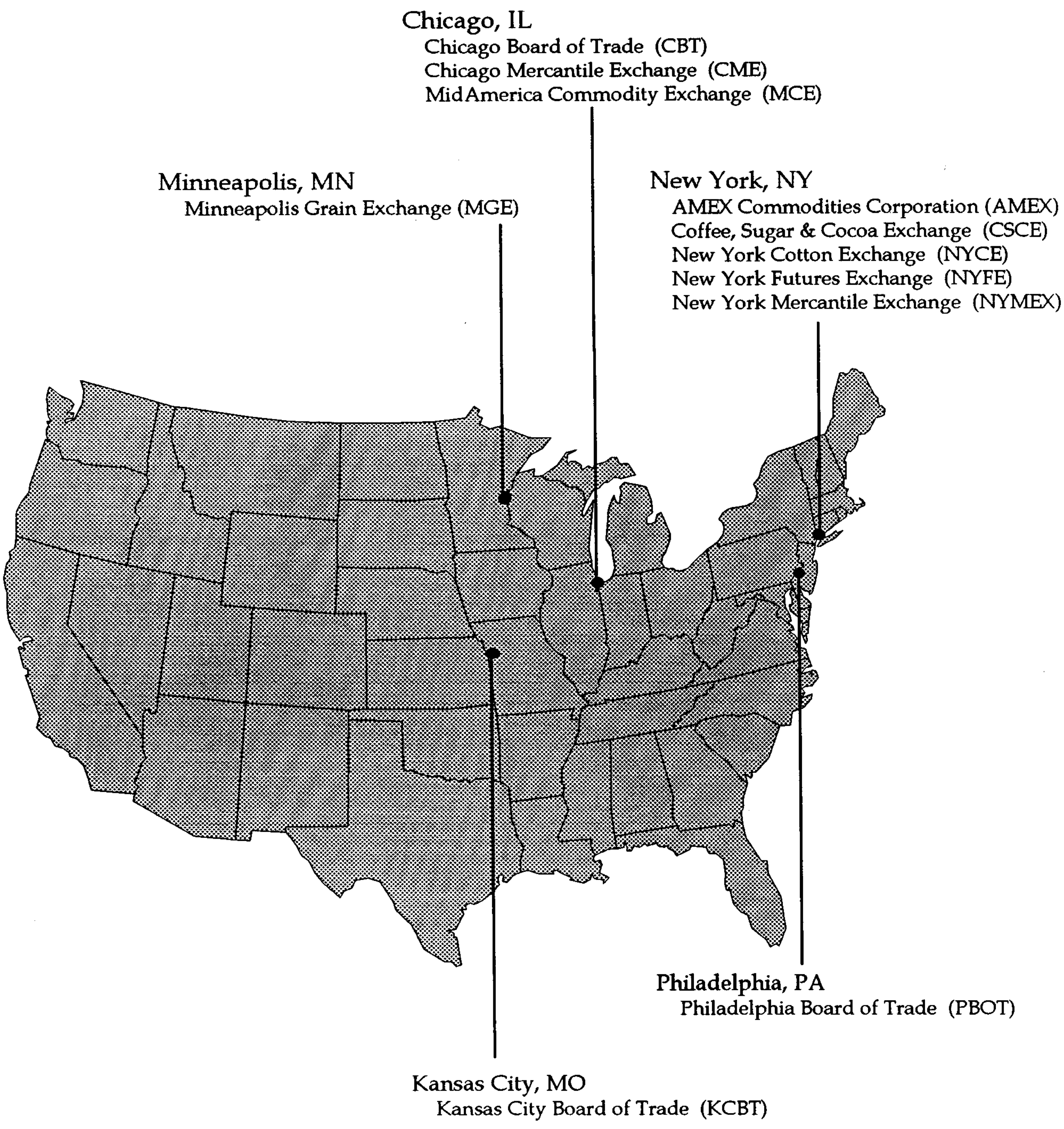
Map of CFTC-Regulated Commodity Exchanges



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Number of Registered Commodities Professionals

Companies and individuals who handle customer funds or give trading advice must apply for registration through the National Futures Association (NFA), a Congressionally authorized self-regulatory organization subject to CFTC oversight.

The Commission regulates the activities of over 62,000 registrants:

Type of registered professional	Number in 1997
Associated Persons (Sales People)	45,850
Commodity Pool Operators (CPOs)	1,351
Commodity Trading Advisors (CTAs)	2,606
Floor Brokers (FBs)	9,299
Floor Traders (FTs)	1,331
Futures Commission Merchants (FCMs)	233
Introducing Brokers (IBs)	1,538
Total	62,208

Number of Contract Markets

Before an exchange may offer a contract for trading, the Commission must review the terms and conditions of the proposed contract, as well as subsequent rule amendments to the terms and conditions of the contract, to ensure its economic viability. Improperly designed contracts can increase the chance of cash, futures, or option market disruptions and undermine the usefulness and efficiency of a market.

During fiscal 1996, the Commission designated 92 new futures and option contracts, the highest number of new contracts in any single fiscal year.

The Commission has seen the introduction of new and novel trading instruments to handle a variety of financial risks, such as currencies, inflation-indexed debt instruments, contracts based on various domestic and foreign stock indices, as well as the risks inherent in the agricultural sector of the economy. It is expected that this innovation will continue as firms, companies, producers, processors, and others turn to the commodity futures markets for hedge protection against financial risk.

There are currently over 230 separate actively traded contracts on the United States exchanges. This number has grown by 105% over the number of contracts traded just a decade ago and is expected to reach nearly 280 contracts by the year 1999.

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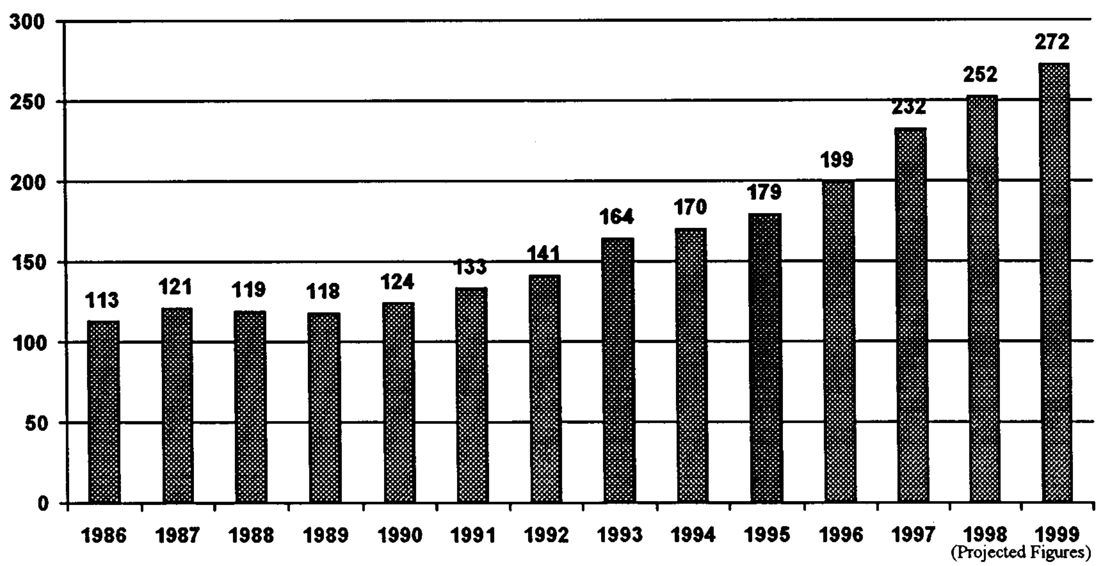
Actively Traded Contracts



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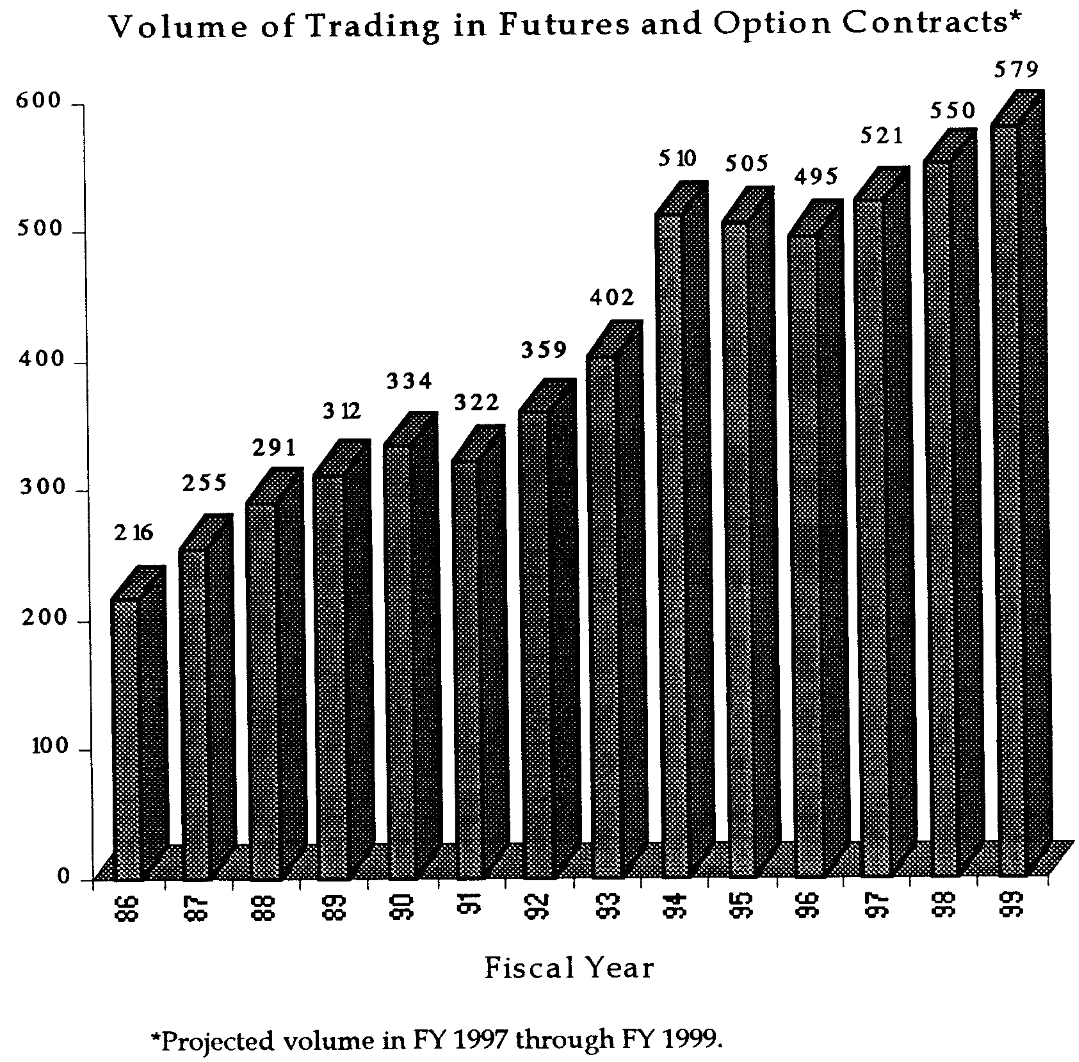
Volume of Trading

Volume of trading is measured in number of contracts traded. The volume of trading on the U.S. exchanges has risen nearly 130% in the decade since 1986.

During FY 1996, there were 494,502,868 futures and option contracts traded. Volume is expected to rise to over 579 million contracts in FY 1999.



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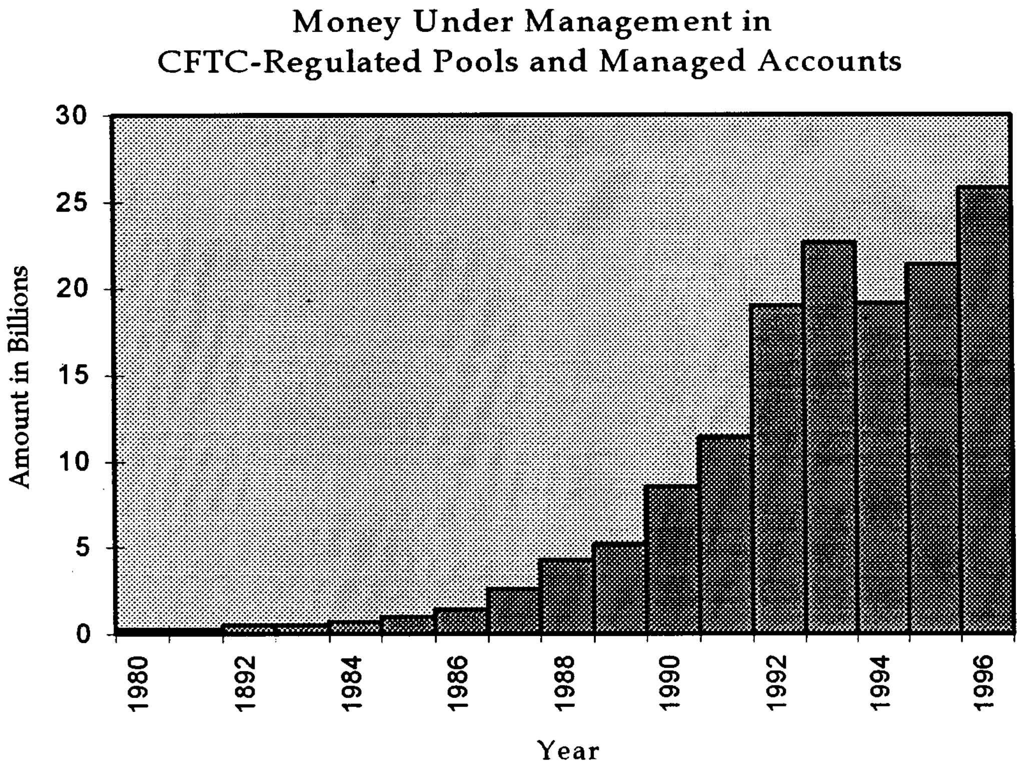
Managed Funds

Investment management professionals have been using managed futures for more than 20 years. Recently, there has been a surge in pooled and managed money and an increasingly large segment of the population has money invested in the futures markets, either directly or indirectly, through pension funds or ownership of shares in publicly held companies that participate in the markets. Institutional investors such as corporate and public pension funds, insurance companies, and banks are increasingly using managed futures to diversify their portfolios.

Over the last decade, from 1986 through 1996, the amounts of money under management has grown exponentially from less than $2 billion to nearly $26 billion.



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Over the past 15 years, the profile of the typical commodity pool has changed significantly. Fifteen years ago, commodity pools were offered with the expectation that maximum contributions would be $1 million. Most pools were single-advisor pools, with the CPO acting as CTA for the pool. Pools were designed for speculative trading, and there were no ''principal-protected'' pools, tiered pools, or dynamically managed pools.

Today, the pool universe is comprised of:

- Single and multiple advisor pools;
- Multi-media pools-that is, pools that invest in securities and futures as well as other investments, including ''hot issues'' of U.S. securities, off-exchange instruments, and international markets;
- Pools which use leverage and isolate particular forms of return, such as the mortgage pre-payment option;
- Principal-protected pools; and
- Pools which invest in other pools.

Strategic Goals and Objectives

The mission of the Commodity Futures Trading Commission is accomplished through three strategic goals, each focusing on a vital area of regulatory responsibility. The goals are highlighted here, and defined in terms of outcome objectives and related activities on the charts which follow.

Goal One—The Marketplace

Protect the economic functions of the commodity futures and option markets.

The focus of this goal is the marketplace. If the United States commodity futures markets are protected from and free of abusive practices and influences, they will better operate to fulfill their vital role in our market economy and the global economy-accurately reflecting the forces of supply and demand and serving market users by fulfilling an economic need.

Goal Two—The Market Users

Protect market users and the public.

The focus of the second goal is protection of the firms and individuals—market users—who come to the marketplace to fulfill their business and trading needs. Market users must be protected from possible wrongdoing on the part of the firms and commodity professionals with whom they deal to access the marketplace, and they must be assured that the marketplace is free of fraud, manipulation, and abusive trading practices.

Goal Three—The Environment

Foster open, competitive, and financially sound markets.

The third goal focuses on several important outcomes—effective industry self-regulation, firms and financial intermediaries with sound business, financial, and sales practices, and responsive and flexible regulatory oversight.

SUMMARIES OF OUTCOME OBJECTIVES AND ACTIVITIES—GOAL #1

Goal #1: Protect the economic junctions of the commodity futures and option markets.]

Outcome objective	Activity
Foster futures and option markets that accurately reflect the forces of supply and demand for the underlying commodity and are free of disruptive activity.	1. Collect and analyze daily U.S. futures and options data for all actively trading contracts to detect congestion and/or price distortion and respond quickly to potentially disruptive situations.

SUMMARIES OF OUTCOME OBJECTIVES AND ACTIVITIES—GOAL #1—Continued

Goal #1: Protect the economic junctions of the commodity futures and option markets.]

Outcome objective	Activity
	2. Monitor the markets to determine how conditions and factors observed may impact individual registrants or the markets in general (e.g., price volatility, supply conditions, activities of affiliated companies of registrants, over-the-counter derivatives trading, manipulative or fraudulent practices, etc.), to deter potentially negative situations and to take appropriate action. 3. Conduct timely review of contract market designation applications and changes to applications to determine if they are economically viable and do not pose a likelihood of disruption in the cash, futures, and option markets. 4. Conduct weekly market surveillance meetings of the Commission to analyze market information, to discuss potentially disruptive situations and conditions, and to respond quickly to market crises. 5. Respond to market emergencies and disruptive activities swiftly and effectively. 6. Maintain a current understanding of market functions and developments through research. 7. Identify possible manipulation and other abusive trading practices for investigation and possible enforcement or criminal action. 8. Investigate possible manipulation and other abusive trading practices. 9. Institute enforcement cases concerning manipulation and other abusive trading practices. 10. Sanction violators.
2. Oversee markets which can be used effectively by producers, processors, financial institutions, and other firms for the purposes of price discovery and risk shifting.	1. Conduct timely review of contract market designation applications, and changes to applications, to determine if they are economically viable and do not increase the likelihood of disruption in the cash, futures, and option markets. 2. Participate in the President's Working Group on Financial Markets to ensure coordination of information and efforts among U.S. financial regulators. 3. Maintain a current understanding of market functions and developments through research. 4. Provide materials and information on the functions and utility of the markets to the public through public Commission meetings, through public roundtables, advisory committee meetings, symposia, U.S. Department of Agriculture publications, press releases, advisories, etc.

SUMMARIES OF OUTCOME OBJECTIVES AND ACTIVITIES—GOAL #2

[Goal #2: Protect market users and the public.]

Outcome objective	Activity
Promote compliance with and deter violations of federal commodities laws.	1. Identify and investigate possible fraudulent and other illegal activities relating to the commodity futures and option markets and their registrants. 2. Bring injunctive actions, including using ''quick-strike'' efforts to protect assets and to stop egregious conduct. 3. Bring administrative cases involving manipulation, fraud, and other violations. 4. Hear administrative cases. 5. Sanction violators. 6. Inform the public and the industry concerning allegations of wrongdoing and associated legal actions, including through publications and through Commission orders and reports describing the alleged violations and the Commission's legal and policy analysis. 7. Collect sanctions and civil monetary penalties against violators. 8. Cooperate with the exchanges, the National Futures Association, other federal agencies, state governments and law enforcement entities, and foreign authorities to gain information for law enforcement purposes and to provide enforcement assistance as necessary and appropriate. 9. Monitor the Internet and other communication media for fraudulent √ √ √activities and other possible violations of the Act. 10. Resolve appeals in administrative enforcement matters and self-regulatory organization adjudicatory actions.
2. Require commodities professionals to meet high standards.	1. Oversee the National Futures Association registration program. 2. Require testing, licensing, and ethics training for commodities professionals. 3. Maintain regulations and oversight to ensure the effective use of disclosure documents by commodities professionals. 4. Investigate and bring administrative registration cases arising out of alleged statutory disqualification and obtain suspensions, revocations, conditions, or restrictions of registration.

SUMMARIES OF OUTCOME OBJECTIVES AND ACTIVITIES—GOAL #2—Continued

[Goal #2: Protect market users and the public.]

Outcome objective	Activity
3. Provide a forum for effectively and expeditiously handling customer complaints against persons or firms registered under the Act.	1. Provide a reparations program for commodities market users to make claims relating to violations of the Act.

SUMMARIES OF OUTCOME OBJECTIVES & ACTIVITIES—GOAL #3

[Goal #3: Foster open, competitive, and financially sound markets.]

Outcome objective	Activity
1. Ensure sound financial practices of clearing organizations and firms holding customer funds.	1. Promulgate regulations to ensure sound business, financial, and sales practices in firms participating in the commodities industry. 2. Review and oversee self-regulatory organization audit and financial practices. 3. Identify possible financial, capitalization, segregation, and supervision violations for investigation and possible prosecution. 4. Investigate possible financial, capitalization, segregation, and supervision violations. 5. Bring cases concerning financial, capitalization, segregation, and supervision violations. 6. Sanction violators.
2. Promote and enhance effective self-regulation of the commodity futures and option markets.	1. Ensure effective self-regulatory organization enforcement programs. 2. Review and approve self-regulatory organization rules and rule amendments. 3. Conduct rule enforcement reviews of self-regulatory organizations (financial practices, sales practices, trade practices, and audit trail). 4. Review and oversee self-regulatory organization audit and financial practices. 5. Review adequacy of self-regulatory organization disciplinary actions. 6. Conduct direct audits of clearing organizations and firms handling customer money to ensure compliance with capitalization and segregation rules. 7. Promulgate regulations to ensure effective self-regulation by exchanges, clearing organizations, and registered futures associations.
3. Facilitate the continued development of an effective, flexible regulatory environment responsive to evolving market conditions.	1. Coordinate and cooperate with global financial services regulators to share vital information and develop appropriate global standards in the commodities industry as markets emerge and evolve. 2. Participate in the International Organization of Securities Commissions and represent the Commission at international meetingsconcerning commodity regulation. 3. Participate in the President's Working Group on Financial Markets to ensure coordination of information and efforts among U.S. financial regulators. 4.Provide exemptive, interpretive, or other relief as appropriate to foster the development of innovative transactions, trading systems, and similar arrangements.
4. Promote markets free of trade practice abuses	1. Identify possible trade practice violations for investigation and possible enforcement proceedings. 2. Investigate possible trade practice violations. 3. Bring cases concerning trade practice violations. 4. Bring enforcement proceedings against violators.

Achieving The Goals: Strategies to Mission Performance—1997–2002

The Environment

The environment in which the Commodity Futures Trading Commission operates and works is dynamic. Futures and option markets are fluid. New products, as well as changes in terms and conditions of existing contracts, are common. Increasing globalization of the financial markets also presents challenges and opportunities to the agency's mission performance.

Accomplishing our mission will require a commitment continually to assess the external and internal issues and trends that may affect our mission and the way in which we must respond to meet it successfully. Evaluating and adjusting our plan will ensure that potential problems or weaknesses are managed before they develop into crises.

The Strategies

To fulfill our commitment, we must develop and employ various strategies which focus on achieving results. These strategies will define the basis for developing policies, making decisions, taking actions, allocating resources and defining program direction. They will clarify why the organization exists, what it does, and why it does it—providing a bridge to understanding how we connect to our environment.

Achieving The Goals: External Challenges—1997–2002

The Challenges

The Commodity Futures Trading Commission faces challenges external to the organization which may significantly alter its ability to meet its goals, its outcome objectives, and even its mission, depending on the weight of their influence and the timing of their occurrence.

We have identified ten such factors that may impact strategic planning at the CFTC.

The volume of trading in futures and commodity options—which is influenced, in turn, by external economic factors such as interest rate volatility, commodity price volatility in general, and events and conditions specific to individual commodity markets.

The number and sophistication of market users—including the increasing number of institutional users trading as fiduciaries.

The variety of markets traded—in recent years, the CFTC has designated futures and option markets on a wide range of commodities, instruments, and indices. These have included: dairy products, such as milk and cheese; various energy products including: electricity; various currency and cross-currencies; inflation-indexed U.S. Treasury bonds; foreign interest rates; boneless beef; pollution rights; crop yields; and a wide range of foreign and domestic stock indices.

The growing use of over-the-counter (OTC) derivatives—such use may increase exchange trading volume as dealers in such OTC instruments attempt to hedge their resulting risk exposures. Often it also requires analysis of such OTC instruments for purposes of determining the appropriate regulatory framework.

Structural changes in the financial services industry—such as the diversification into overseas markets, and the convergence of the securities, commodities, insurance, and banking industries.

Events that destabilize the commodity markets—such as the 1987 stock market break, the 1995 collapse of Barings Bank, and the copper market events precipitated by the Sumitomo Corporation in 1996.

The globalization of financial markets—broadening the needs for market surveillance, analysis of intermarket relationships, cross-border enforcement efforts, and cooperation and information sharing with foreign authorities.

The effect of federal laws and policies—on the U.S. economy, such as the deregulation of the energy industry and changes in farm subsidy policies, spawning change and innovation such as new types of crop insurance.

The advancement in technology—which continues to introduce challenges in many areas-alternatives to the ''open-outcry'' method of trading commodity futures on the exchange floor, enhanced methods for timing and tracking trading transactions, on-line filing of financial information by market users, electronic marketing and trading of financial and risk-hedging products, and trading commodity futures and options on a global, 24-hour real-time basis.

The standards, resources, and priorities of other organizations and jurisdictions—such as self-regulatory organizations, other federal and state law enforcement agencies, and foreign authorities.

The Strategies

Develop a Responsive and Flexible Regulatory Posture—It is not possible to predict which external influences ultimately will affect the commodity futures and option industry over the next five years. However, certain trends observed in the past few years are likely to continue. In order to fulfill its goal of being a flexible and responsive regulatory body, the Commission must develop strategies to ensure that the appropriate reactions and responses to these trends are developed.

Innovation

- Respond to innovation through the timely review of new and novel trading instruments.
- Develop a capability of understanding the underlying economic effects and benefits of new product development, new markets, and new complex trading mechanisms.

Globalization

- Maintain watchful surveillance activities to monitor systemic risk of expanding markets, intermarket linkages, and cross-border trading systems.
- Foster and sustain strong relationships with foreign authorities to ensure rapid communication and responsive actions in the event of global financial uncertainty.
- Participate in international efforts to standardize world-wide market surveillance and information sharing practices.

Competitiveness

- Consider refinements to the regulatory framework to take into account the growing use of over-the-counter derivatives.
- Respond to structural changes in the financial services industry to ensure a level playing field as the commodities, securities, and banking industries become more integrated.

Dynamic Economic Forces

- Monitor general economic events and trends in order to understand dynamics affecting commodity futures and option trading.
- Respond to the changing needs of the U.S. agricultural community resulting from the passage of the Federal Agricultural Improvement Reform (FAIR) Act of 1996 and the changes it will spawn in this sector of the U.S. economy.
- Develop an automated market surveillance system capable of collecting and assimilating data from option trading, as well as commodity futures trading.
- Respond rapidly and effectively to destabilizing events, either in the United States markets or in the global marketplace, to ensure the protection of U.S. interests and customers.
- Monitor the increasing volume of the public's funds invested either directly or indirectly through commodity pools.

Advancing Technology

- Develop capability of overseeing rapidly evolving technological changes and innovations influencing the markets—electronic trading mechanisms, increasingly linked trading relationships, real-time trading, electronic commerce, expansion of the Internet and other advancements.
- Ensure that the Commission has state-of-the art computing power to collect and analyze the increasing volume of data generated by the commodity futures and option markets.

Develop and Sustain Vital Partnerships—Strong working relationships with other organizations and jurisdictions involved not only in commodity futures and option trading, but domestic and international finance and law enforcement, increase the Commission's ability to build knowledge and insight, share information, and participate in developing standard practices and policies.

Federal and State

- A key relationship that ensures regulatory consistency across the federal government is the Commission's participation in the *President's Working Group on Financial Markets.* This critical forum for coordination of regulation across financial markets brings together the leaders of the federal financial regulatory agencies to consider issues concerning risk assessment, capital requirements, internal controls, disclosure, accounting, market practices relating to trading in derivative instruments, bankruptcy law revisions, and contingency planning for market emergencies.
- Another key federal liaison is with the *U.S. Department of Agriculture.* Consistent with the mandate of the Act, the FAIR, CFTC will work with USDA staff in a risk management education effort to reach agricultural producers seeking risk management services or advice to deal with the changes resulting from its passage.

• Commission staff works through various established intergovernmental partnerships to share information and to consult on issues of importance both to the Commission and to other financial regulators. Some meetings are recurring, such as biweekly conference calls and quarterly meetings held among the CFTC, the *Securities and Exchange Commission,* the *Department of the Treasury,* the *Board of Governors of the Federal Reserve System,* the *New York Federal Reserve Bank* and the *Federal Deposit Insurance Corporation.* Others are occasional as needed, but nonetheless valuable, such as those with the *Department of Energy,* the *Department of Agriculture,* and the *Department of Labor's Bureau of Labor Statistics* on other matters.

• The working relationships with *other federal law enforcement entities* are also fundamental to an effective law enforcement effort. The Commission coordinates its enforcement efforts with agencies such as the *Department of Justice,* the *Federal Bureau of Investigation,* the *Federal Trade Commission,* the *Securities and Exchange Commission* and the *U.S. Postal Inspection Service.*

The CFTC is also represented on several interagency task forces designed to keep participants abreast of new developments in financial crimes and to coordinate the government's response.

• Enforcement efforts are coordinated with *state authorities* as well, including state commissions responsible for the regulation of corporations, securities, insurance, and banking.

Self-Regulatory

The *National Futures Association* (NFA) has been granted registration by the Commission as a futures association with specific self-regulatory responsibilities under the Commodity Exchange Act. The NFA has existed since 1982 and works in partnership with the Commission to assure high standards for industry professionals. The Commission works closely with the NFA in a variety of areas to augment scarce government resources—registration, ethics training for industry professionals, the review of disclosure documents, and issues concerning statutory disqualification of registrants.

International

• In the past several years, the Commission has cooperated with a large number of *foreign regulatory authorities* through formal memoranda of understanding (MOUs) and other arrangements to combat cross-border fraudulent and other prohibited practices that could harm customers or threaten market integrity. Cross-border information sharing among market regulators forms the linchpin of effective surveillance of global markets linked by products, participants, and information technology. The Commission currently has 18 formal arrangements for the sharing of information on enforcement matters, three arrangements related to financial information sharing, and nine cooperative arrangements for the sharing of information on matters related to foreign firms and exemptions from certain CFTC rules and one letter relating to the use of foreign settlement banks.

• A key partnership in our efforts to remain abreast of global financial issues is our membership in the *International Organisation of Securities Commissions* (IOSCO), an organization of more than 120 members from over 75 countries. IOSCO's main purposes are to provide machinery for exchanging information and expertise between regulatory authorities for the supervision of world securities and derivatives markets, to establish standards of best practice, to ensure market integrity, and to promote effective supervision and enforcement. IOSCO deals with issues affecting both developed and emerging markets.

Advisory

The Commission sponsors three advisory committees that facilitate a dialogue between the CFTC and three key groups of interested persons—the American agricultural community, the financial community, and the states.

• The *Agricultural Advisory Committee* (AAC) represents a vital link between the Commission, which regulates agricultural futures and option markets, and the agricultural community, which depends on those markets for hedging and price discovery. The AAC's 25 member organizations represent a major portion of the American agricultural community. For the last 14 years, the AAC's twice yearly meetings have fostered an ongoing dialogue between that community and the Commission.

• The *Financial Products Advisory Committee* provides a means of receiving invaluable information and obtaining advice and recommendations on issues related to financial markets. In this regard, the Committee has served as a channel for communicating to the Commission diverse viewpoints within the financial community, including the views of broker-dealers, pension fund sponsors, investment companies, futures commission merchants, commodity pool operators, and commodity trading advisors. The Committee has also served a conduit for the views of federal financial market oversight agencies, futures exchanges, and accounting firms.

• The *CFTC-State Cooperation Advisory Committee* (CSCAC) continues to play a highly productive role in facilitating the cooperation between federal and state regulatory authorities. In the context of diverse state laws and enforcement authorities, it provides a forum for the Commission to solicit the advice and recommendations of knowledgeable state officials in efforts to protect investors from fraud and secure the integrity of futures markets. Similarly, it helps the various state regulators learn about changes to federal laws and regulations as well as federal enforcement activities. This facilitates the exchange of information and the coordination of policies and enforcement efforts among the CFTC, the SEC, and the Department of Justice. Some of the issues addressed in recent years include:

—misleading advertising in the broadcast media;
—bank-financed precious metal investing;
—commodity pool operations; and,
—public availability of disciplinary actions in the futures industry.

CSCAC's membership includes representatives of federal and state law enforcement agencies, futures industry associations, and private futures brokerage firms.

Achieving the Goals: Internal Challenges—1997–2002

The Challenges

Many of the internal challenges identified may not be unique to the CFTC, but nonetheless are possible barriers to success which must be analyzed and met in order to succeed in its mission.

Diminishing Resources—with a declining pool of budgetary resources slated for domestic discretionary programs, every federal entity faces the same task of streamlining the way it operates. The Commission will continue to review its requirements and program initiatives to ensure that its fiscal perspective is sound. It must also continue to seek ways of improving performance, delegating responsibilities, and becoming more efficient.

Recruitment and Retention of Qualified Professionals—nearly 80% of the staff of the CFTC falls into four categories of professional employment: law, economics, financial audit, and futures trading. The complexity of the work at the Commission demands highly skilled workers, many with advanced educational degrees. Competition for these individuals has always been keen, and there is no indication that this challenge will abate. Indeed, the Commission is the only federal financial regulator which does not have the authority to pay professionals at premium pay levels.

In some instances, as with lawyers and economists, the Commission has experienced the effects of a ''brain drain,'' when highly talented and skilled employees are hired away from the CFTC by other federal financial regulators who can offer premiums.

Potential for Significant Numbers of Retirements—the CFTC is in its 23rd year of operation. Many of the employees who started with the Commission in its early days are approaching retirement age. Over 12% of CFTC's on-board staff will become eligible for retirement in the next five years. This level of turnover will require significant levels of recruitment and training, particularly to fill behind the loss of so much ''institutional memory.''

Another challenge associated with a significant turnover in staff is the question of reengineering. Allocation of staff resources in the future needs to be considered in light of changes in the organization's tasks and responsibilities.

Remaining Abreast of Current Technology—perhaps more so than many other federal agencies, the Commission is dependent on a significant level of advanced technology to manage the volume and complexity of financial information we collect and analyze. Data are voluminous, require timely handling, and must be thoroughly analyzed for anomalies in trading patterns, relationships, and strategies.

Over the years, the Commission has developed and maintained an impressive technological infrastructure and has employed automation when feasible to enhance its work product and to enhance productivity in light of a static level of staffing.

The sophisticated market surveillance and market analysis the Commission performs are accomplished through the use of databases and econometric modeling. Fact patterns for enforcement investigations are supported by computer programs, and many other responsibilities could not be accomplished without the significant level of information technology at the CFTC. The need for this level of support will increase over the coming five years as technology continues to evolve and to offer new capabilities.

Commission staff must be knowledgeable as to current technologies in order adequately to perform oversight of the exchanges as they increase their use of technology. This technological trend has been reflected in the increasing linkage of global markets and the introduction of overnight trading capabilities by major U.S. exchanges linked to foreign counterparts. Advances in technology will improve the ability of the exchanges to handle their work electronically. The Commission must be knowledgeable in these technologies to fulfill its mission of fostering innovation and a flexible and responsive regulatory environment.

Remaining Educated and Informed as Innovation Changes the Industry—it has always been necessary for Commission staff to continue to improve their knowledge of developing economic trends, new trading instruments, trading strategies, and the interrelationship of markets, domestically and internationally. Without such continued investment in skill and information building, they may not be fully capable of understanding the marketplace, the economic influences on it, and its changing needs and uses. This level of skill and knowledge will need to increase over the next five years as new markets emerge around the world and market users seek new hedging strategies.

The Strategies

Strategies to Develop a Responsive Commission Culture—At the center of the Commission's mission accomplishment are the core business processes and responsibilities. Meeting these responsibilities and performing them well provides an ongoing level of regulatory presence and support to the industry and its users. These core business processes are many and include: daily market surveillance, the detection and prosecution of wrongdoing, contract market designation, rule review, market research, and audits of industry firms.

To accomplish the day-to-day activities associated with these processes, the Commission must maintain a positive culture within which to work. Over the next five years, the following strategies will guide us and help us meet the internal challenges we face.

Build a professional and highly trained staff—

• Set standards for the recruitment of qualified staff.

• Develop a recruitment and promotion strategy to build a new professional base for filling behind the anticipated high level of retirements in the next five years.

• Provide technical and advanced training to ensure that CFTC staff skills keep pace with advances in the commodities industry and permit promotion to higher levels of responsibility.

Build a strong technological infrastructure—

• Implement the Commission's Five-Year Automated Data Processing (ADP) Plan. The plan establishes: the Commission's systems development priorities; agency standards for various software applications; policies and procedures related to support provided by the Office of Information Resources Management (OIRM); and priorities for acquisition and utilization of external databases and other electronic information services.

• Sustain the Commission's End-User Advisory Group (EAG) to gain broad input into planning and prioritizing technological developments. The EAG provides: assistance and guidance to OIRM in the development of the Five-Year ADP Plan; annual review and prioritization of OIRM's systems development workload; establishment of Commission-wide standards for the use of software applications and support provided by OIRM; and priorities for acquisition and utilization of databases and information services.

• Implement and refine the CFTC's automated Market Surveillance System.

• Maintain and enhance expertise capable of overseeing the technological advancements in the domestic and international markets.

• Review and replace hardware and software with current technology to support Commission goals.

Reengineer business processes to streamline regulatory requirements and to create internal efficiencies—

• Identify areas which may benefit from reengineering, to create efficiencies for the regulated industry or for the CFTC's internal processes.

Recent examples include: the implementation of ''fast-track'' procedures for processing certain contract designation applications and rules-cutting in half the average period such contracts and rules are pending with the Commission; streamlining of the risk disclosure process; and streamlining the administrative opinions process to reduce the backlog of pending cases.

Restructure organizationally to improve performance and respond to changing mandates and trends—

• As warranted, reorganize the internal structure of the Commission to strengthen program initiatives.

Recent examples include: the strengthening of the enforcement program through a reorgani-zation, concentrated hiring and renewed training efforts; and the establishment of an Office of International Affairs to enhance the Commission's ability to meet the increasing challenge of playing an active role in international initiatives.

Plan effectively to maximize the use of scarce budgetary resources—

• Continually review resource requirements for operations and program initiatives to ensure sound fiscal management and the optimal allocation of resources to mission requirements.

• Enhance the capability of the financial management system to aid in analyzing inputs and outputs in order to improve the measurement of outcomes at the Commission.

• Make increasing use of the data flowing from our payroll/ personnel system in order to determine how we are using our most significant resource-staff-years.

• Develop advanced planning skills to assure an emphasis on results-oriented management.

Communicate accountability to CFTC managers and staff—

• Institute a new Performance Management System to create a more effective and responsive communication tool for managers and staff.

• Employ the Annual Performance Plan to improve the commu-nication of specific goals and performance levels to staff to improve performance.

• Provide training at all levels of the Commission so that employees have the skills and current information to enable them to perform at a high level.

Achieving and Measuring Performance

Achieving Performance

The Commission may measure the success of its performance through four broad indicators:

• Markets free of disruption.

• Registered and fit market professionals and financial intermediaries.

• Self-regulatory organizations with sound financial practices and effective enforcement programs.

• Swift and aggressive investigation and prosecution of wrongdoing, with sanctions and fines levied for the maximum remedial and deterrent effect.

Measuring Performance: The Annual Performance Plan

On an annual basis, work of the Commission is directed through the Annual Performance Plan (APP). The APP establishes a full set of performance indicators and targets to ensure that day-to-day activities are appropriately defined and measured. Activities are outlined by performance indicators and performance targets for five years, FY 1998 through FY 2002.

Relating General Goals and Objectives to Performance Goals and Program Evaluation

Program evaluation, or determining how well the performance targets CFTC has established are being achieved, is necessary to measure the effectiveness and efficiency of our work. Many program priority and resource allocation decisions hinge on the knowledge of what is going well and what is not. For the first three years of this plan, the Commission will use methods and processes already in place to evaluate how we are progressing on the implementation of the Strategic Plan and the Annual Performance Plan.

Quarterly Objectives Review Process

The Quarterly Objectives reporting process provides executive management with a review of program accomplishments for the fiscal quarter just completed and program priorities for the current fiscal quarter. Also included is a summary of performance statistics, a series of output measures provided by program. This reporting process will be evaluated to determine how it may be used as the method for reporting on program progress toward meeting the goals, outcome objectives, and activities in the Strategic Plan as well as a method for setting overall priorities and allocating resources consistent with those priorities.

Management Accounting Structure Code System

Information concerning the distribution of labor at the Commission is captured through the financial reporting system called MASC—Management Accounting Structure Code System. This input data, provided by every employee on a bi-weekly schedule, reflects the hours they dedicate to various Commission activities and projects. The information is intended for use by agency program managers in their resource management activities, as well as to provide a database for documentation and support of the CFTC fee structure for such fee-generating activities as the designation of contract markets for trading on exchanges and rule enforcement reviews of the exchanges.

The MASC system will be reviewed with the goal of reengineering the present system to conform to the activity structure defined by this Strategic Plan. This evaluation will assess the current system's utility as the primary method for capturing the distribution of labor costs.

Status of Funds Reporting Process

The Status of Funds, a financial management reporting process, executed from the Commission's automated financial management system and presented to executive management, is the basis for periodic reports of the agency's financial condition and usage of its chief resource—staff-years. This process will be evaluated to determine how it may best facilitate the reporting of resource usage under the new framework of the Strategic Plan.

Stakeholders

The Commission's stakeholders-the public, the Congress, the Administration, other federal departments and agencies, market users, registrants, the exchanges, the National Futures Association, and foreign authorities-are valuable resources which must be tapped to provide critical feedback on Commission goals and priorities. Understanding their perspectives will assist the Commission in clarifying its mission and directing its resources. We will evaluate how best to use these partnerships effectively.

Leadership

The outcome envisioned by the Government Performance and Results Act is improved efficiency and effectiveness of federal programs through the establishment of a system to set goals for program performance and to measure the results.

As this planning and reporting process evolves, the Commission will evaluate how best to provide the leadership and direction to integrate program, cost, and budget information into a reporting framework that allows for fuller consideration of resource allocations, operational costs, and performance results.

Monitoring External and Internal Factors

The Commission will evaluate the most effective method to continually review key factors, external and internal to the agency, which may affect how it achieves its mission. This evaluation process will ensure that the Commission anticipates future challenges and makes adjustments to its goals, outcome objectives, and activities before potential issues and problems escalate.

As part of this evaluation the Commission will continue its refinement of vital systems such as the Market Surveillance System which provides invaluable front-line information on commodity futures and option trading on a daily basis, and will look to defining other systems that may provide assistance in anticipating issues and directing resources.

Appendix

Understanding the Fundamentals of Commodity Futures and Options

What Is a Futures Contract?

A futures contract is an agreement between two parties to buy and sell in the future a specific quantify of a commodity at a specific price. The buyer and seller of a futures contract agree now on a price for a product to be delivered and/or paid for at a set time in the future, know as the ''settlement date.'' Although actual delivery of the commodity can take place in fulfillment of the contract, most futures contracts are actually closed out or ''offset'' prior to delivery.

What Is an Option Contract?

An option on a commodity futures contract is an agreement between two parties which gives the buyer, who pays a market determined price known as a ''premium,'' the right (but not the obligation), within a specific time period, to exercise his option. Exercise of the option will result in the person being deemed to have entered into a futures contract at a specified price known as the ''strike price.'' In some cases, an option may confer the right to buy or sell the underlying asset directly, and these options are known as options on the physical asset.

What Is Delivery vs. Cash Settlement?

There are two types of futures contracts, those that provide for physical delivery of a commodity or other item and those which call for cash settlement. The month during which delivery or settlement is to occur is specified in the contract. Thus, a July futures contract is one providing for delivery or settlement in July.

It should be noted that even in the case of deliverable futures contracts, very few actually result in delivery. Not many speculators have the desire to take or make delivery of, for example, 5,000 bushels of wheat, or 112,000 pounds of sugar, or even one million dollars worth of U.S. Treasury bills. Rather, the vast majority of speculators in futures markets choose to realize their monetary gains or losses by buying or selling offsetting futures contracts prior to the delivery date.

Selling a contract that was previously purchased liquidates a futures position. Similarly, a futures contract that was initially sold can be liquidated by an offsetting purchase. In either case, gain or loss is the difference between the buying price and the selling price.

Even hedgers generally do not make or take delivery. Most find it more convenient to liquidate their futures positions and (if they realize a gain) use the money to offset whatever adverse price change has occurred in the cash market.

What Is Price Discovery?

Futures prices increase and decrease largely because of the myriad factors that influence buyers' and sellers' judgments about what a particular commodity will be worth at a given time in the future (anywhere from less than a month to more than two years).

As new supply and demand developments occur, and as new and more current information becomes available, these judgments are reassessed, and the price of a particular futures contract may be bid upward or downward. The process of reassessment-price discovery-is continuous.

Thus, in January, the price of a July futures contract would reflect the consensus of buyers and sellers at that time as to what the value of a commodity or item will be when the contract expires in July. On any given day, with the arrival of new or more accurate information, the price of the July futures contract might increase or decrease in response to changing conditions and expectations.

Competitive price discovery is a major economic function and benefit of futures trading. The trading floor of a futures exchange is where available information about the future value of a commodity or item is translated into price. In summary, futures prices are an ever-changing barometer of supply and demand and in a dynamic market, the only certainty is that prices will change.

What Is Daily Cash Settlement?

Once a closing bell signals the end of a day's trading, the exchange's clearing organization matches each purchase made that day with the corresponding sale and tallies each member firm's gains or losses based on that day's price changes—a massive undertaking considering that well over one million futures contracts are bought and sold on an average day. Each firm, in turn, calculates the gains and losses for each of its customers having futures contracts.

Gains and losses on futures contracts are not only calculated on a daily basis, but they are also credited and debited on a daily basis. This process is known as a daily cash settlement and is an important feature of futures trading. It is also the reason a customer who incurs a loss on a futures position may be called to deposit additional funds into his account—a margin call.

What Is Leverage?

To say that gains and losses in futures trading are the result of price changes is an accurate explanation, but by no means a complete explanation. Perhaps more so than in any other form of speculation or investment, gains and losses in futures trading are highly leveraged. An understanding of leverage is crucial to an understanding of futures trading.

The leverage of futures trading stems from the fact that only a relatively small amount of money (known as initial margin) is required to buy or sell a futures contract. On a particular day, a margin deposit of only $1,000 might enable you to buy or sell a futures contract covering $25,000 worth of soybeans. Or for $20,000 you might be able to purchase a futures contract covering an index of common stocks valued at $200,000. The smaller the margin in relation to the underlying value of the futures contract, the greater the leverage.

If you speculate in futures contracts and the price moves in the direction you anticipated, high leverage can produce large profits in relation to your initial margin. Conversely, if prices move in the opposite direction, high leverage can produce large losses in relation to your initial margin.

What Is Margin?

The margin required to buy or sell a futures contract is a deposit of good faith money that can be drawn on by your brokerage firm to cover losses that you may incur in the course of futures trading. It is similar to money held in an escrow account.

Minimum margin requirements for a particular time are set by the exchange on which the contract is traded. They are typically about 5% of the current value of the commodity or asset underlying the futures contract. Exchanges continuously monitor market conditions and risks and, as necessary, raise or reduce their margin requirements. Individual brokerage firms may require higher margin amounts from customers than the exchange-set minimums.

Addresses of the Commodity Exchanges & Designated Self-Regulatory Organizations

Chicago

Chicago Board of Trade, 141 West Jackson Boulevard, Chicago, IL 60606
Chicago Mercantile Exchange, 30 South Wacker Drive, Chicago, IL 60606
MidAmerica Commodity Exchange, 141 West Jackson Boulevard, Chicago, IL 60604

Kansas City

Kansas City Board of Trade, 4800 Main Street, Kansas City, MO 64112

Minneapolis

Minneapolis Grain Exchange, 400 South Fourth Street, Minneapolis, MN 55415

Philadelphia

Philadelphia Board of Trade, 1900 Market Street, Philadelphia, PA 19103

New York

AMEX Commodities Corporation, 86 Trinity Place, New York, NY 10006

Coffee, Sugar & Cocoa Exchange, Inc., Four World Trade Center, New York, NY 10048

New York Cotton Exchange, Four World Trade Center, New York, NY 10048

New York Futures Exchange, Four World Trade Center, New York, NY 10048

New York Mercantile Exchange, One Northend Avenue, World Financial Center, New York, NY 10282

COMEX Division

NYMEX Division

Registered Futures Association

National Futures Association, 200 West Madison Street, Suite 1600, Chicago, IL 60606

CFTC Offices

Headquarters, Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581, Telephone: 202–418–5000

Eastern Regional Office, One World Trade Center, Suite 3747, New York, NY 10048, Telephone: 212–466–2061

Central Regional Office, 300 South Riverside Plaza, Suite 1600 North, Chicago, IL 60606, Telephone: 312–353–5990

Southwestern Regional Office, 4900 Main Street, Suite 721, Kansas City, MO 64112, Telephone: 816–931–7600

Sub-Office, 510 Grain Exchange Building, Minneapolis, MN 55415, Telephone: 612–370–3255

Western Regional Office, Murdock Plaza, 10900 Wilshire Boulevard, Suite 400, Los Angeles, CA 90024, Telephone: 310–235–6783

CFTC Team

Organizational Structure

Based in Washington, D.C. the Commodity Futures Trading Commission maintains regional offices in Chicago and New York, and has smaller offices in Kansas City, Los Angeles, and Minneapolis. The CFTC consists of five Commissioners, appointed by the President to serve staggered five-year terms. One of the Commissioners is designated by the President, with the consent of the Senate, to serve as Chairperson. No more than three Commissioners at any one time may be from the same political party.

The Chairperson oversees the management of the agency and its five major organizational units:

- Division of Economic Analysis
- Division of Enforcement
- Division of Trading and Markets
- Office of the General Counsel
- Office of the Executive Director

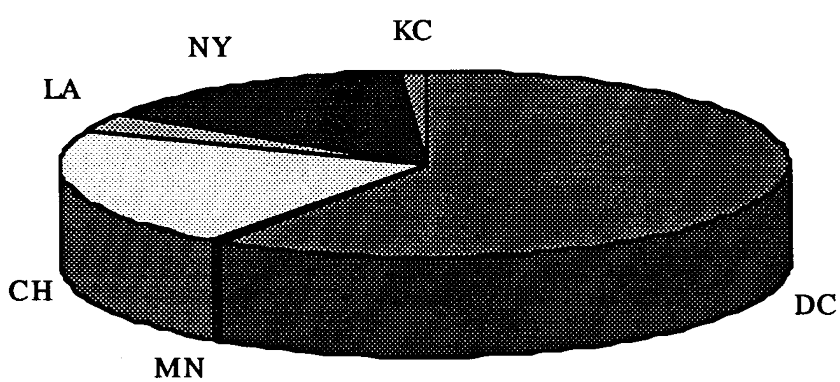
Staffing

The Commission is requesting 621 full-time equivalent staff-years, or FTEs, in FY 1999. A regional staffing distribution is shown below:

Washington, D.C. (DC)	370
Chicago, IL (CH)	131
New York, NY (NY)	90
Los Angeles, CA (LA)	21
Kansas City, MO (KC)	7
Minneapolis, MN (MN)	2
Total Staff Years	621

BILLING CODE 6351–01–P

CFTC Staffing Distribution



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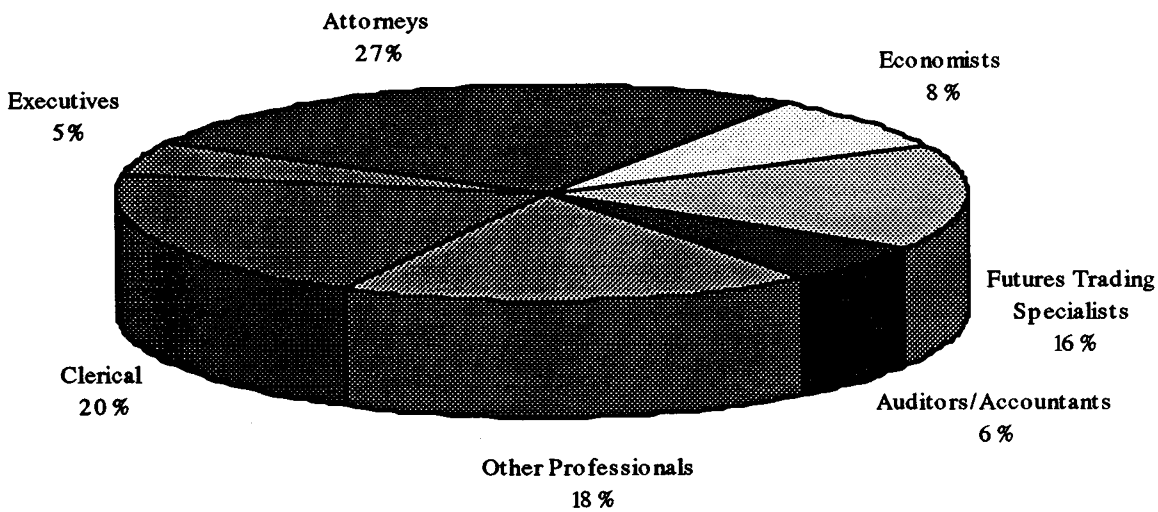
Occupations

The principal professional occupations at the Commission are attorney, economist, futures trading specialist and investigator, auditor and computer specialist. These professionals are assisted in their work by a wide range of administrative and support personnel.[1]

CFTC Occupational Distribution



Commission Concurrence

Brooksley Born, Chairperson

Joseph B. Dial, Commissioner

John E. Tull, Jr., Commissioner

Barbara Pedersen Holum, Commissioner

David D. Spears, Commissioner

Publications and Information

For a list of other CFTC publications or for more information on the CFTC, please visit the CFTC's home page on the World Wide Web. Our address is http://www.cftc.gov.

Or contact the Office of Public Affairs, Commodity Futures Trading Commission at: Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581, (202) 418–5080.

[FR Doc. 97–24388 Filed 9–15–97; 8:45 am]

BILLING CODE 6351–01–P

DEPARTMENT OF DEFENSE

Office of the Secretary

Meeting of the Task Force on Defense Reform

AGENCY: Department of Defense, Task Force on Defense Reform.

ACTION: Notice.

SUMMARY: Notice is hereby given of an open meeting of the Task Force on Defense Reform (the Task Force) on October 21, 1997. One purpose of the meeting is to meet with representatives of the Federal unions and employee associations representing federal employees in the Department of Defense (DoD). In addition, time will be set aside for anyone wishing to address the Task Force with ideas about streamlining, restructuring, and reengineering of various components or elements of the Department. A second notice containing meeting details about the open meeting will be published in early October.

The Task Force was established to make recommendations to the Secretary of Defense and Deputy Secretary of Defense on alternatives for organizational reforms, reductions in management overhead, and streamlined business practices in DoD, with emphasis on the Office of the Secretary of Defense, the Defense Agencies, the DoD field activities, and the Military Departments.

Notice is also hereby given for closed sessions of the Task Force on Defense Reform on September 30, and October 2, 7, 9, 14, 16, 23, 28, and 30, 1997. In accordance with Section 10(d) of the Federal Advisory Committee Act, Public Law 92–463, as amended, 5 U.S.C., Appendix II, it has been determined that matters affecting national security, as covered by 5 U.S.C. 552b(c)(1)(1988), will be presented throughout the meetings, and that, accordingly, these meetings will be closed to the public.

Dated: September 11, 1997.

L.M. Bynum,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 97–24531 Filed 9–15–97; 8:45 am]

BILLING CODE 5000–04–M

[1] Executives include Chairperson, Commissioners, and managers in the Senior Executive Service. Other Professionals include computer analysts, budget and finance professionals, human resource specialists, and contracting officials.