

COMMENT

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S. Jackson & Son, Inc.

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August 8, 2000
Via Mail & Fax 202-418-5527

CFTC
3 Lafayette Centre
1155 21st St. NW
Washington, D.C. 20581

Attn: Ms. Jean Webb
Secretary

COMMENT

Dear Ms. Webb:

We are writing to object to proposed changes to CSCE Rule 8.14 pertaining to Storage and Packaging of green coffee. Point (2) states that "if, prior to the coffee being delivered, the warehouse has failed to notify the deliverer of the coffee that the bag(s) is torn and needs to be repaired, then the warehouse shall be liable for the repair of the torn bag or bags."

We object to this proposed change because a situation can occur where a lot appears to be sound but the bags tear upon delivery. Under this scenario, an owner could claim that they were not notified by the warehouse, when in fact, prior to handling, the problem was not visually evident. We see this proposed change as a way for coffee owners to place the burden of the problem on the warehouse operator, when in fact, it is a packaging issue caused by bagging material that is insufficient in its' composition to support the weight of the beans.

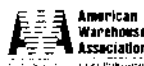
We respectfully recommend the following procedures for handling of coffee that is in torn and/or deteriorating bags. Once the warehouse notifies the owner and the Exchange that bags covered by an Exchange application number are torn and/or deteriorating, we would like to see the application be placed into suspense by the Exchange until such time as the bags have been made deliverable by rebagging. This would prevent an owner from knowingly transferring a lot with an existing problem.

As stated above and discussed with Mr. John Bird at the CFTC, the core issue is a packaging issue. The CSCE has recently changed their rules and now requires a heavier weight bag be used on future shipments which should greatly minimize the amount of future rebagging and maintenance.

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Finally, we also disagree with the proposed change to Rule 8.17 pertaining to expedited arbitration. Under Section 4893, The warehouse is required to report the problem to the owner in writing and if the owner fails to respond, by the rules of the Exchange, the owner has deemed to have authorized the maintenance and all costs associated with said maintenance. Under the proposed change, the if the claimant does not give written notice to the Exchange of the dispute within (15) business days of the Last Notice Day of the Coffee "C" contract in which the delivery of the coffee in the torn bags(s) was to occur or has occurred, said warehouse or Member shall be deemed to have waived his rights under this section..." We may not be aware that the matter is in dispute until the (15) day period has expired.

We respectfully request that you consider our comments and concerns before any changes to the rules are implemented and thank you in advance for your consideration in this matter.

Sincerely,

S. JACKSON & SON, INC.

A handwritten signature in black ink that reads "Elizabeth Jackson Ford". The signature is written in a cursive, flowing style.

Elizabeth Jackson Ford
Manager, Sales & Marketing