



October 4, 2001

Mr. Roger Hinkle
Chief, Licensing Authority Branch, Warehouse and Inventory Division
Farm Service Agency
United States department of Agriculture
STOP 0553
1400 Independence Avenue, SW
Washington, DC 20250-0553

Re: Proposed Rule: "Implementation of the United States Warehouse Act," 66 F.R.
46310 (September 4, 2001)

Dear Mr. Hinkle:

The Seam offers its comments on the Proposed Rule that seeks to implement Title II of the Grain Standards and Warehouse Improvement Act of 2000. The Seam is an electronic marketing and services firm based in Memphis, Tennessee providing online cotton exchanges for growers, ginner, merchants, cooperatives, warehouses and textile mills.

We commend the Department for its efforts to move agriculture more fully into an integrated electronic environment. Through the adoption of electronic warehouse receipts for cotton, the industry has saved hundreds of millions of dollars over the past six years. Adoption of electronic bills of lading, letters of credit, and other accompanying documents will increase these savings exponentially. Use of electronic documents throughout the supply chain, including an electronic marketplace, is important for the timely execution of transactions and ultimate delivery of a commodity.

We also wish to add our support to the requirement of a substantial net worth requirement for providers of electronic documents. When the industry moves beyond electronic warehouse receipts into the realm of other electronic documents, the corresponding risks are greater. We believe that USDA is fully justified in seeking to protect the users of electronic documents by requiring a net worth of \$10 million.

Thank you for the opportunity to submit these comments.

Sincerely,

Phillip C. Burnett
President and CEO