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September 27, 2001

Mr. Roger Hinkle
Warehouse and Inventory Division
FSA-USDA
STOP 0553
1400 Independence Avenue, SW
Washington, DC 20250-0553

Dear Roger:

I need to share with you some of my thoughts regarding the proposed rules pertaining to the U.S. Warehouse Act which were published in the "Federal Register" last September 4. My cotton gin and warehouse are located in the Mid-South.

I find Sections 735.110 and 735.300 to be confusing. Based on the terms of these sections I cannot tell exactly when my warehouse is supposed to cancel a receipt. Can these two sections be reconciled and written so that I know when I must cancel?

I was under the impression that the rule would contain a statement requiring electronic receipt Providers to operate without conflicts of interest so that the best interests of the system users would be the primary goal. While I have found references in the rules to "integrity statement," I have found no such statement in the proposed rules. I applaud the concept and would like to see an integrity statement included in the rules. This statement does not need to cause problems or pose barriers for Providers but it should remind them that the primary reason they are in business is to provide a quality service to all of their users.

Each warehouse should only have one Provider. To guard the integrity of the electronic receipt I suggest that words to that effect be included in the proposed rules.

Please call me if I need to further explain any of these suggestions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Wayne Nichols'.

Wayne Nichols