those already involved in an activity or business from the new regulations to be established by the statute because it is anticipated that it may be difficult for the parties to transition the activity or business to the new regulatory scheme.

The Commission is aware of the transformational nature of the Dodd-Frank Act and its potential impact on the swaps industry. The Commission also recognizes that bilateral swaps trading activity currently conducted in reliance upon the CEA’s Exempt Commodity Exemption will likely become subject to any number of regulatory provisions implementing the requirements of the Dodd-Frank Act, including business conduct standards, recordkeeping and reporting requirements, and capital and margin requirements.7 Until the contents and timing of the Commission’s regulations affecting bilateral swaps are better known, however, the Commission has determined not to grant grandfather relief as it is impossible to know at this time whether such relief will be necessary.8

In implementing the important requirements of the Dodd-Frank Act, the Commission will strive to ensure that current practices will not be unduly disrupted during the transition to the new regulatory regime. Persons relying upon the Exempt Commodity Exemption will have an opportunity to comment on each of the rulemakings that may affect them, which will permit the Commission to consider and adopt appropriate regulatory provisions to address transitioning from the Exempt Commodity Exemption to the Dodd-Frank regulations as they become effective. Additionally, while the Commission has chosen at this time not to grant grandfather relief to parties that rely on the Exempt Commodity Exemption, if it later determines that Dodd-Frank Act-required regulations might pose particular difficulties for such parties that cannot be addressed in final regulations, the Commission is committed to use its available exemptive authorities to address such a situation. Any relief that the Commission determines to grant will not be limited to persons who may wish to file a petition.9

II. Related Matters

a. Paperwork Reduction Act

This notice does not impose any recordkeeping or information collection requirements, or other collections of information that require approval of the Office of Management and Budget (“OMB”) under the Paperwork Reduction Act (“PRA”).10 Requests for comment that are published in the Federal Register in which collections of information are not embedded are excluded from PRA compliance by OMB regulations.11 Collections of information that may be required as a condition for the grant of grandfather relief for persons relying on the Exempt Commodity Exemption will be addressed at the time such conditions may be imposed.

b. Cost-Benefit Analysis

Section 15(a) of the CEA 12 requires the Commission to consider the costs and benefits of its actions before taking certain actions under the Act. This notice is neither a regulation nor an order to which Section 15(a) applies.

c. Regulatory Flexibility Act

The Regulatory Flexibility Act (“CRA”) requires that agencies consider the impact of their rules on small businesses. This notice is not a “rule for which the agency publishes a general notice of proposed rulemaking.”13 Therefore, the Commission is not required to conduct a regulatory flexibility analysis.14

7 See Sections 731 and 747 of the Dodd-Frank Act.

8 In a separate action, the Commission has issued orders providing grandfather relief to parties affected by the Dodd-Frank Act’s elimination of the CEA Section 2(h)(3)–(7) exempt commercial market (“ECM”) provision and the CEA Section 5d exempt board of trade (“EBOT”) provision. In that matter, the Commission foresees that many entities that currently operate as ECMs or EBOTs will seek to either swap execution facilities (“SEFs”) or designated contract markets (“DCMs”) when the Commission adopts regulations implementing Dodd-Frank’s requirements for those facilities. Because the new SEF and DCM regulatory provisions are not likely to be completed until close to the same time that the CEA and EBOT provisions are deleted from the CEA, the Commission anticipated that there would be a large number of new SEF and DCM applications at that time. In order to reduce this congestion of applications, and to facilitate the transition of current ECM and EBOT businesses to the new regulatory regime mandated by the Dodd-Frank Act, the Commission provided limited grandfather relief to EBOTs and ECMs.

9 In addition to deleting the CEA Section 2(h)(1)–(2) Exempt Commodity Exemption from the CEA, the Dodd-Frank Act also will delete two other provisions that provide for the exclusion of bilateral swaps from the CEA—Section 2(d)(2) for excluded commodities (mostly financial products) and Section 2(g) for non-agricultural commodities. The Commission notes that the Dodd-Frank Act does not provide for the possibility of any grandfather relief for parties relying on these exclusions, which partially overlap with the Section 2(h)(1)–(2). The Commission also pledges to be attentive to the transition needs of parties that rely on those provisions, as well as Section 2(h)(1)–(2) users, as it considers Dodd-Frank Act-required regulations.

10 5 U.S.C. 3501 et seq.

11 5 CFR 1320.3(b)(4).


13 5 U.S.C. 601(c).


COMMODITY FUTURES TRADING COMMISSION

Orders Regarding the Treatment of Petitions Seeking Grandfather Relief for Exempt Commercial Markets and Exempt Boards of Trade

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice; final orders.

SUMMARY: The Commission is issuing orders whereby entities currently operating as exempt commercial markets, pursuant to Section 2(h)(3)–(7) of the Commodity Exchange Act, or exempt boards of trade, pursuant to Section 5d of the Commodity Exchange Act, may receive grandfather relief to continue to operate in accordance with those provisions notwithstanding their deletion from the Commodity Exchange Act, effective July 15, 2011, by the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Commission’s orders set forth various conditions for such grandfather relief, including the filing of a relief petition...
and a swap execution facility or designated contract market application with the Commission.

DATES: Effective Date: September 10, 2010. Comments on this notice will be accepted until October 18, 2010.

ADDRESSES: You may submit comments or petitions for relief, identified with “ECM/EBOT Grandfather Relief” in the subject line, whichever is appropriate, by any of the following methods:

- E-mail for Comments: ecmebotcomments@cftc.gov. E-mail for petitions: ecmebotpetitions@cftc.gov.
- Mail: David A. Stawick, Secretary of the Commission, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW., Washington, DC 20581.
- Hand Delivery/Courier: Same as mail above.

All comments must be submitted in English, or if not, accompanied by an English translation. Comments and petitions will be posted as received to http://www.cftc.gov.

FOR FURTHER INFORMATION CONTACT:
David P. Van Wagner, Chief Counsel, Division of Market Oversight, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW., Washington, DC 20581. Telephone: (202) 418-5481. E-mail: dvvanwagner@cftc.gov; or Beverly E. Loew, Assistant General Counsel, Office of the General Counsel, same address. Telephone: (202) 418-5648. E-mail: bloew@cftc.gov.

SUPPLEMENTARY INFORMATION:

I. Introduction

On July 21, 2010, President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”).1 Title VII of the Dodd-Frank Act 2 amended the Commodity Exchange Act (“CEA”) 3 to establish a comprehensive new regulatory framework for swaps and security-based swaps. Among other changes to the CEA, the Dodd-Frank Act eliminated certain exempt market categories—exempt commercial markets (“ECMs”) and exempt boards of trade (“EBOTs”)—from the CEA; established a new regulated market category—swap execution facilities (“SEFs”); 4 revised certain requirements for an exempt regulated market category—designated contract markets (“DCMs”); and authorized the Commission to grant grandfather relief for entities in the eliminated exempt market categories in order to assist those entities to transition their business models to a different market category. 4

II. Background and Discussion

a. Exempt Commercial Markets and Exempt Boards of Trade

Sections 723 and 734 of the Dodd-Frank Act will strike from the CEA enabling provisions for two categories of exempt markets established by the Commodity Futures Modernization Act of 2000 (“CFMA”).5 Specifically, Section 723 of the Dodd-Frank Act will strike CEA Section 2(b)(3)–(7) and, thus, eliminate the ECM category.6 Similarly, Section 734 of the Dodd-Frank Act will strike CEA Section 5d and, thus, eliminate the EBOT category.7 The Commission notes that ECMs and EBOTs are both required to operate their execution platforms as trading facilities, as that term is defined by CEA Section 1a(34), and must limit access to a narrow group of market participants—eligible commercial entities in the case of ECMs and eligible contract participants in the case of EBOTs. These requirements are not inconsistent with the execution platform and market participant requirements for DCMs or SEFs as they are set forth in the CEA and the Dodd-Frank Act. Accordingly, while the ECM and EBOT provisions will be eliminated from the CEA effective July 15, 2011, the basic structural requirements for both of those market categories should facilitate the ability of ECMs and EBOTs to transition to either the SEF or DCM market category; provided, of course, that they comply with the enhanced regulatory requirements for those two categories.

Sections 723 and 734 of the Dodd-Frank Act contain similar grandfather provisions for ECMs and EBOTs, respectively, whereby they may petition the Commission to continue to operate as ECMs and EBOTs. With some variation, both sections establish three basic requirements regarding the processing of grandfather petitions. First, entities seeking grandfather treatment must submit their petitions to the Commission by a set deadline: ECMs must submit their petitions within sixty days of the enactment of the Dodd-Frank Act (i.e., by September 20, 2010) and EBOTs must submit their petitions by the Dodd-Frank Act’s effective date (i.e., by July 15, 2011). Second, the Commission must consider all petitions in a “prompt manner.” Third, the Commission may grant grandfather treatment for up to one year. In the case of EBOT petitions, the Dodd-Frank Act makes clear that the one-year period would commence with the Dodd-Frank Act’s effective date of July 15, 2011. By contrast, the Dodd-Frank Act does not specify what the reference date should be for the running of any grandfather period for ECMs.

The Commission expects that many entities that currently operate as ECMs or EBOTs will seek to become either SEFs or DCMs when the Commission adopts regulations implementing Dodd-Frank’s requirements for those facilities. While the Commission expects to adopt SEF and DCM regulations prior to the July 15, 2011, effective date for deleting the ECM and EBOT provisions from the CEA, the Commission also anticipates that concurrent with the implementation of those new provisions it will have to process a large number of SEF and DCM applications from ECMs, EBOTs and interdealer brokers.8

In order to ease this congestion of applications, and to facilitate the transition of current ECM and EBOT businesses to the new regulatory regime mandated by the Dodd-Frank Act, the Commission believes that it would be appropriate to provide grandfather relief allowing EBOTs and ECMs to continue to operate as EBOTs and ECMs after the July 15, 2011, effective date of the Dodd-Frank Act.

Accordingly, the Commission is issuing orders that would establish procedures whereby ECMs and EBOTs may petition for and receive grandfather relief from the otherwise applicable provisions of the Dodd-Frank Act, so long as they submit both timely and acceptable grandfather relief requests and either DCM or SEF applications. To be acceptable, the grandfather relief request shall contain a commitment to provide the Commission and its staff with access to the books and records of the ECM or EBOT relating to its business as an ECM or EBOT in

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2 Pursuant to Section 701 of the Dodd-Frank Act, Title VII may be cited as the “Wall Street Transparency and Accountability Act of 2010.”
3 7 U.S.C. 1 et seq.
4 The same provision of the Dodd-Frank Act that eliminated EBOTs also deleted CEA Section 5a—a provision that established a category of regulated markets known as derivatives transaction execution facilities (“DTEFs”). See Section 734 of the Dodd-Frank Act. The Dodd-Frank Act does not, however, authorize the Commission to grant grandfather relief to the DTEFs. Accordingly, DTEFs are not addressed in the Commission’s subject order. Notably, the Commission has never registered a DTEF.
6 See Section 723(a)(1)(A) of the Dodd-Frank Act.
7 See Section 734(a) of the Dodd-Frank Act.
8 Currently, there are 16 ECMs and 6 EBOTs with active Notifications of Operation or Annual Certifications on file with the Commission.
accordance with the requirements in Commission Regulation 1.31, 17 CFR 1.31, effective July 15, 2011. Failure to comply with any request for books and records in accordance with the requirements of Commission Regulation 1.31 shall constitute a basis for revocation of the grandfather relief. The grandfather relief will extend for as long as the ECM or EBOT has a legitimate DCM or SEF application pending before the Commission and, accordingly, the relief will expire upon the Commission’s approval or disapproval of the application.

b. Eligible Contract Participants Operating Pursuant to Section 2(h)(1)

Section 723 of the Dodd-Frank Act, which eliminated the ECM category from the CEA, also deleted CEA Section 2(h)(1)–(2)—a provision that provides an exemption for certain types of bilateral trading conducted off of regulated markets. Although the Dodd-Frank Act authorizes the Commission to grant grandfather relief to trading activity that relies upon CEA Section 2(h)(1)–(2), the nature of that trading activity is qualitatively different from trading activity on EBOTs and ECMS, both of which must operate as trading facilities, as that term is defined in CEA Section 1a(34). Accordingly, the issue of grandfather treatment for Section 2(h)(1)–(2) bilateral trading will be addressed by the Commission in a separate action.

III. Related Matters

a. Paperwork Reduction Act

The Commission has determined that these proposed orders will not impose any new recordkeeping or information collection requirements, or other collections of information that require approval of the Office of Management and Budget under the Paperwork Reduction Act ("PRA").

Collections of information that may be associated with the requirements of Commission Regulation 1.31 shall constitute a basis for revocation of the grandfather relief. The grandfather relief will extend for as long as the ECM or EBOT has a legitimate DCM or SEF application pending before the Commission and, accordingly, the relief will expire upon the Commission’s approval or disapproval of the application.

b. Cost-Benefit Analysis

Section 15(a) of the CEA 

 regulatory rulemakings implementing the addressed within the SEF and DCM—information that may be associated with outweigh its costs; rather, it requires

c. Regulatory Flexibility Act

The Regulatory Flexibility Act ("RFA") requires that agencies consider the impact of their rules on small businesses. The Commission has determined that neither ECMS nor EBOTs are small entities for purposes of the RFA. Accordingly, the Chairman, on behalf of the Commission, hereby certifies pursuant to 5 U.S.C. 605(b) that these Orders, taken in connection with Sections 2(h)(3)–(7) and 5d of the Act and with the Part 36 rules, will not have a significant impact on a substantial number of small entities.

IV. Orders

a. ECM Grandfather Order

After considering the complete record in this matter, the Commission has determined to issue the following Order pursuant to its authority under Section 733 or 735 of the Dodd-Frank Act:

It is hereby ordered that any ECM that meets all of the following applicable conditions may continue to operate pursuant to the provisions of CEA Section 2(b)(3)–(7) until July 15, 2012 (one year after the general effective date of the Dodd-Frank Act’s amendments to the CEA):

1. The ECM must have filed with the Commission by September 20, 2010, a grandfather relief petition that:
   (a) Is labeled “Exempt Commercial Market Grandfather Relief Petition Filed Pursuant to Section 723(c)(2)(A) of the Dodd-Frank Act,”
   (b) Identifies the requesting ECM, (c) Identifies a contact person at the ECM, including that person’s contact information at the ECM, and
   (d) Grants the Commission and its representatives access to the books and records of the ECM relating to its business as an ECM in accordance with the requirements of Commission Regulation 1.31, starting July 15, 2011 and throughout the pendency of the grandfather relief.

2. The ECM must have filed a formal SEF or DCM application with the Commission within sixty days after the effective date of final rulemakings implementing the provisions of either Section 733 or 735 of the Dodd-Frank Act, whichever is appropriate.

b. EBOT Grandfather Order

After considering the complete record in this matter, the Commission has determined to issue the following Order pursuant to its authority under Section 723(c)(1) of the Dodd-Frank Act:

It is hereby ordered that any EBOT that meets all of the following applicable conditions may continue to operate pursuant to the provisions of CEA Section 5d up until July 15, 2012 (one year after the general effective date of the Dodd-Frank Act’s amendments to the CEA):

1. The EBOT must have filed with the Commission by July 15, 2011, a grandfather relief petition that:
   (a) Is labeled “Exempt Board of Trade Grandfather Relief Petition Filed Pursuant to Section 734(c)(1) of the Dodd-Frank Act,”
   (b) Identifies the requesting EBOT, (c) Identifies a contact person at the EBOT, including that person’s contact information at the EBOT, and
   (d) Grants the Commission and its representatives access to the books and records of the EBOT relating to its business as an EBOT in accordance with the requirements of Commission Regulation 1.31, starting July 15, 2011 and throughout the pendency of the grandfather relief.

Conditions applicable to SEF applications filed before the effective date of final rulemakings implementing the provisions of Section 733 of the Dodd-Frank Act are set forth below.

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Regulation 1.31, starting July 15, 2011 and throughout the pendency of the grandfather relief.

(2) The EBOT must have filed a formal SEF or DCM application with the Commission within sixty days after the effective date of final regulations implementing the provisions of either Section 733 or 735 of the Dodd-Frank Act, whichever is appropriate.

(3) The EBOT’s SEF or DCM application is currently pending before the Commission.

Issued in Washington, DC, on September 10, 2010, by the Commission.

David A. Stawick, Secretary of the Commission.

[FR Doc. 2010–23142 Filed 9–15–10; 8:45 am]
BILLING CODE 6351–01–P

CONSUMER PRODUCT SAFETY COMMISSION

Sunshine Act Meetings

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: Vol. 75, No. 175, Friday, September 10, 2010, page 55312.
PREVIOUSLY ANNOUNCED TIME AND DATE OF MEETING: 10 a.m.–11 a.m., Wednesday, September 15, 2010.
CHANGES IN MEETING: Meeting postponed to September 22, 2010, 10 a.m.–11 a.m. For a recorded message containing the latest agenda information, call (301) 504–7948.

CONTACT PERSON FOR ADDITIONAL INFORMATION: Todd A. Stevenson, Office of the Secretary, 4330 East West Highway, Bethesda, MD 20814 (301) 504–7923.

Todd A. Stevenson, Secretary.

[FR Doc. 2010–23276 Filed 9–14–10; 4:15 pm]
BILLING CODE 6355–01–P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Docket No. DoD–2010–OS–0086]
Submission for OMB Review; Comment Request

ACTION: Notice.

The Department of Defense has submitted to OMB for clearance, the following proposal for collection of information under the provisions of the Paperwork Reduction Act (44 U.S.C. Chapter 35).

DATES: Consideration will be given to all comments received by October 18, 2010.

Title and OMB Number: Defense Acquisition University, Student Information System (SIS); OMB Control Number 0704–TBD.
Type of Request: New.
Number of Respondents: 90,000.
Responses per Respondent: 1.
Annual Responses: 90,000.
Average Burden per Response: 5 minutes.
Annual Burden Hours: 7,500 hours.

Needs and Uses: The information collection requirement is necessary to permit an individual to register for a DAU training course. The information is used to evaluate the individual’s eligibility for a course and to notify the individual of approval or disapproval of the request. It is also used to notify the training facility of assignments to classes, and for cost analysis, budget estimates and financial planning.

Affected Public: Individuals or household.
Frequency: On occasion.
Respondent’s Obligation: Required to obtain or retain benefits.

OMB Desk Officer: Ms. Jasmeet Seehra.

Written comments and recommendations on the proposed information collection should be sent to Ms. Seehra at the Office of Management and Budget, Desk Officer for DoD, Room 10236, New Executive Office Building, Washington, DC 20503.

You may also submit comments, identified by docket number and title, by the following method:


Instructions: All submissions received must include the agency name, docket number and title for this Federal Register document. The general policy for comments and other submissions from members of the public is to make these submissions available for public viewing on the Internet at http://www.regulations.gov as they are received without change, including any personal identifiers or contact information.

DOD Clearance Officer: Ms. Patricia Toppings.

Written requests for copies of the information collection proposal should be sent to Ms. Toppings at WHS/ESD/Information Management Division, 1777 North Kent Street, RPN, Suite 11000, Arlington, VA 22209–2133.

Patricia L. Toppings, OUSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 2010–23090 Filed 9–15–10; 8:45 am]
BILLING CODE 5001–06–P

DEPARTMENT OF DEFENSE

Office of the Secretary

Federal Advisory Committee; Military Leadership Diversity Commission (MLDC)

AGENCY: Office of the Under Secretary of Defense for Personnel and Readiness.
ACTION: Meeting notice.


DATES: The meeting will be held on September 27 (from 7 p.m. to 9:30 p.m.), September 28 (from 8 a.m. to 8 p.m.), and September 29, 2010 (from 8 a.m. to 5:30 p.m.).

An Administrative Working Meeting that is scheduled for September 27 from 7 to 8 p.m. is closed to the public.

ADDRESSES: The meeting will be held at the Mt. Washington Conference Center, 5801 Smith Ave, Suite 1100, Baltimore, MD 21209.

FOR FURTHER INFORMATION CONTACT: Master Chief Steven A. Hady, Designated Federal Officer, MLDC, at (703) 602–0838 or (571) 882–0140, 1851 South Bell Street, Suite 532, Arlington, VA. E-mail: steven.hady@wo.wshs.mil.

SUPPLEMENTARY INFORMATION: Due to internal DoD difficulties, beyond the control of the Military Leadership Diversity Commission or its Designated Federal Officer, the Government was unable to process the Federal Register notice for the September 27–29, 2010, meeting of the Military Leadership Diversity Commission as required by 41 CFR 102–3.150(a). Accordingly, the Advisory Committee Management Officer for the Department of Defense, pursuant to 41 CFR 102–3.150(b), waives the 15-calendar day notification requirement.

Purpose of the Meeting
The purpose of the meeting is for the commissioners of the Military Leadership Diversity Commission to continue their efforts to address congressional concerns as outlined in the commission charter.

Agenda
September 27, 2010
7 p.m.–8 p.m.
Administrative Working Meeting