

market efficiency, competition, and financial integrity.

3. Price Discovery

As stated above, the temporary relief proposed here is designed to maintain the functioning of the markets until such time as the comprehensive new regulatory framework for swaps set forth in the Dodd-Frank Act is in place. With the clarity offered by the proposed exemptive relief, markets would function better as venues for price discovery.

4. Sound Risk Management Practices

Appropriate persons covered by this proposal would be subject to the Commission's full array of existing anti-fraud and anti-market manipulation provisions and certain new authorities provided under the Dodd-Frank Act. Market participants and the public will benefit substantially from the continuing protection through the prevention and deterrence of fraud and manipulation. Markets protected from fraud and manipulation function better as venues for price discovery and risk management.

5. Other Public Interest Considerations

The proposed exemptive order is temporary and limited. It would not affect the applicability of any provision of the CEA to futures contracts, options on futures contracts, or transactions with retail customers in foreign currency or other commodities pursuant to CEA section 2(c)(2). Further, it would expire at an appropriate date, as discussed above. The expiration provision would permit the Commission to ensure that the scope and extent of exemptive relief is appropriately tailored to the schedule of implementation of the Dodd-Frank Act requirements.

After considering these factors, the Commission has determined to seek comment on the proposed temporary exemptive order, as discussed above. The Commission seeks comment on all aspects of the foregoing proposed application of the cost-benefit considerations set forth in CEA section 15(a). Commenters also are invited to submit any data or other information that they may have quantifying or qualifying the costs and benefits of the proposal with their comment letters.

Issued in Washington, DC, on June 14, 2011 by the Commission.

David A. Stawick,
Secretary of the Commission.

Appendices to Effective Date for Swap Regulation—Commission Voting Summary and Statements of Commissioners

Note: The following appendices will not appear in the Code of Federal Regulations.

Appendix 1—Commission Voting Summary

On this matter, Chairman Gensler and Commissioners Dunn, Sommers, Chilton and O'Malia voted in the affirmative; no Commissioner voted in the negative.

Appendix 2—Statement of Chairman Gary Gensler

I support the proposed order regarding the effective dates of certain Dodd-Frank Act provisions.

The Dodd-Frank Act has a deadline of 360 days after enactment for completion of the bulk of our rulemakings—July 16, 2011. Both the Dodd-Frank Act and the Commodity Exchange Act (CEA) give the CFTC the flexibility and authority to address the issues relating to the effective dates of Title VII. We have coordinated closely with the SEC on these issues.

Section 754 of the Dodd-Frank Act states that Subtitle A of Title VII—the Subtitle that provides for the regulation of swaps—“shall take effect on the later of 360 days after the date of the enactment of this subtitle or, to the extent a provision of this subtitle requires a rulemaking, not less than 60 days after publication of the final rule or regulation implementing such provisions of this subtitle.”

Thus, those provisions that require rulemakings will not go into effect until the CFTC finalizes the respective rules. This is a substantial portion of the derivatives provisions under Dodd-Frank. Furthermore, they will only go into effect based on the phased implementation dates included in the final rules. Today we are releasing a list of the provisions of the swaps subtitle that require rulemakings.

There are other provisions of Title VII that do not require rulemaking and will take effect on July 16. The proposed order that we are considering today would provide relief until December 31, 2011, or when the definitional rulemakings become effective, whichever is sooner, from certain provisions that would otherwise apply to swaps or swap dealers on July 16. This includes provisions that do not directly rely on a rule to be promulgated, but do refer to terms that must be further defined by the CFTC and SEC, such as “swap” and “swap dealer.”

The proposed order also would provide relief through no later than December 31, 2011, from certain CEA requirements that may result from the repeal, effective on July 16, 2011, of some of sections 2(d), 2(e), 2(g), 2(h) and 5d.

There have been suggestions to delay implementation of the derivatives reforms

included in the Dodd-Frank Act. That is not what today's proposed order is. Instead, it provides the time necessary for the Commission to complete the rulemaking process to implement the Dodd-Frank Act.

Some might ask: Why six months? Six months will provide the Commission with the opportunity to re-examine the status of final rulemaking in light of the changed regulatory landscape at the time. It would allow us, if appropriate at the time, to tailor relief from certain provisions of the Dodd-Frank Act at the end of the year.

It is important to note, however, that until the CFTC completes its rule-writing process and implements and enforces those new rules, the public remains unprotected.

Appendix 3—Statement of Commissioner Bart Chilton

I concur with the Commission's decision today to provide needed relief with regard to provisions of the Wall Street Reform and Consumer Protection Act that go into effect on July 16, 2011. I believe, however, that the precise nature of this relief must be developed utilizing an iterative process with affected parties to ensure that essential legal certainty is provided to the markets and to market participants. I will not support any final rule on this issue that does not provide clear and unequivocal guidance regarding the legality of transactions and the required responsibilities under the Act. In addition, this relief must be issued promptly, in order to ensure that there is no gap in the effective date of the Act's provisions and the common understanding of the effectiveness of those dates.

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DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Parts 175 and 183

[Docket No. USCG–2009–0206]

RIN 1825–AB34

Installation and Use of Engine Cut-Off Switches on Recreational Vehicles

Correction

Proposed Rule document 2011–14140 was inadvertently published in the Rules section of the issue of June 8, 2011, beginning on page 33161. It should have appeared in the Proposed Rules section.

[FR Doc. 2011–15122 Filed 6–16–11; 8:45 am]

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