procedures eliminates the need of controlled airspace. Since this action eliminates the impact of controlled airspace on users of the National Airspace System in the vicinity of Willow Grove, PA, notice and public procedures under 5 U.S.C. 553(b) are unnecessary.

Class D and Class E airspace designations are published in Paragraphs 5000, 6004, respectively, of FAA Order 7400.9U, dated August 15, 2010, and effective September 15, 2010, which is incorporated by reference in 14 CFR 71.1. The Class D and E airspace designations listed in this document will be published subsequently in the Order.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore, (1) is not a ''significant regulatory action'' under Executive Order 12866; (2) is not a ''significant rule'' under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a Regulatory Evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule, when promulgated, would not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

The FAA's authority to issue rules regarding aviation safety is found in Title 49 of the United States Code. Subtitle I, Section 106 describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the agency's authority.

This rulemaking is promulgated under the authority described in Subtitle VII, Part, A, Subpart I, Section 40103. Under that section, the FAA is charged with prescribing regulations to assign the use of airspace necessary to ensure the safety of aircraft and the efficient use of airspace. This regulation is within the scope of that authority as it removes controlled airspace at Willow Grove, PA.

Lists of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

Adoption of the Amendment

In consideration of the foregoing, the Federal Aviation Administration amends 14 CFR Part 71 as follows:

PART 71—DESIGNATION OF CLASS A, B, C, D, AND E AIRSPACE AREAS; AIR TRAFFIC SERVICE ROUTES; AND REPORTING POINTS

■ 1. The authority citation for Part 71 continues to read as follows:

Authority: 49 U.S.C. 106(g); 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389.

§ 71.1 [Amended]

■ 2. The incorporation by reference in 14 CFR 71.1 of Federal Aviation Administration Order 7400.9U, Airspace Designations and Reporting Points, signed August 18, 2010, and effective September 15, 2010, is amended as follows:

Paragraph 5000 Class D Airspace

* * * * *

AEA PA D Willow Grove, PA [Removed]

Paragraph 6004 Class E airspace designated as an extension to a Class D surface area.

* * * * *

AEA PA E4 Willow Grove, PA [Removed]

Issued in College Park, Georgia, on July 15, 2011.

Mark D. Ward,

Manager, Operations Support Group, Eastern Service Center, Air Traffic Organization.

[FR Doc. 2011–18667 Filed 7–22–11; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF COMMERCE

Bureau of Industry and Security

15 CFR Part 744

[Docket No. 110502273–1368–01]

RIN 0694–AF21

Addition of Certain Persons on the Entity List: Addition of Persons Acting Contrary to the National Security or Foreign Policy Interests of the United States

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Final rule.

SUMMARY: This rule amends the Export Administration Regulations (EAR) by adding six persons to the Entity List (Supplement No. 4 to Part 744) on the basis of section 744.11 of the EAR. The persons who are added to the Entity List have been determined by the U.S. Government to be acting contrary to the national security or foreign policy interests of the United States. These persons will be listed under the following two destinations on the Entity List: Hong Kong and Lebanon.

The Entity List provides notice to the public that certain exports, reexports, and transfers (in-country) to parties identified on the Entity List require a license from the Bureau of Industry and Security (BIS) and that availability of license exceptions in such transactions is limited.

DATES: *Effective Date:* This rule is effective July 25, 2011.

FOR FURTHER INFORMATION CONTACT: Karen Nies-Vogel, Chair, End-User Review Committee, Office of the Assistant Secretary, Export Administration, Bureau of Industry and Security, Department of Commerce, Phone: (202) 482–5991, Fax: (202) 482–3911, E-mail: *ERC@bis.doc.gov.*

SUPPLEMENTARY INFORMATION:

Background

The Entity List provides notice to the public that certain exports, reexports, and transfers (in-country) to entities identified on the Entity List require a license from BIS and that the availability of license exceptions in such transactions is limited. Entities are placed on the Entity List on the basis of certain sections of part 744 (Control Policy: End-User and End-Use Based) of the EAR.

The End-User Review Committee (ERC), composed of representatives of the Departments of Commerce (Chair), State, Defense, Energy and, when appropriate,Treasury, makes all decisions regarding additions to, removals from, or other changes to the Entity List. The ERC makes all decisions to add an entry to the Entity List by majority vote and all decisions to remove or modify an entry by unanimous vote.

ERC Entity List Decisions

This rule implements the decision of the ERC to add six persons to the Entity List on the basis of section 744.11 (License requirements that apply to entities acting contrary to the national security or foreign policy interests of the United States) of the EAR. The six entries added to the Entity List consist of two persons in Hong Kong and four persons in Lebanon.

The ERC reviewed section 744.11(b) (Criteria for revising the Entity List) in making the determination to add these persons to the Entity List. Under that paragraph, persons for which there is reasonable cause to believe, based on specific and articulable facts, that the persons have been involved, are involved, or pose a significant risk of being or becoming involved in, activities that are contrary to the national security or foreign policy

interests of the United States and those acting on behalf of such persons may be added to the Entity List pursuant to section 744.11. Paragraphs (b)(1)–(b)(5) include an illustrative list of activities that could be contrary to the national security or foreign policy interests of the United States.

Pursuant to 15 CFR 744.11(b)(2) and 15 CFR 744.11(b)(5), the persons are being added to the Entity List based on evidence that they have engaged in actions that could enhance the military capability of Iran, a country designated by the U.S. Secretary of State as having repeatedly provided support for acts of international terrorism. These persons are also added because their overall conduct poses a risk of ongoing EAR violations. The six companies are added based on evidence that they purchased electronic components from U.S. firms and then resold the components to companies in Iran without the required U.S. export license. The same components were later found in Iraq in unexploded improvised explosive devices.

Additions to the Entity List

This rule adds six persons to the Entity List on the basis of section 744.11 of the EAR. For all of the six persons added to the Entity List, the ERC specifies a license requirement for all items subject to the EAR and establishes a license application review policy of a presumption of denial. The license requirement applies to any transaction in which items are to be exported, reexported, or transferred (in-country) to such persons or in which such persons act as purchaser, intermediate consignee, ultimate consignee, or end-user. In addition, no license exceptions are available for exports, reexports, or transfers (in-country) to those persons being added to the Entity List. Specifically, this rule adds the following six persons to the Entity List:

Hong Kong

(1) *Biznest, LTD,* Room 927 9/F Far East Consortium Building, 121 Des Voeux Road C, Central District, Hong Kong; and

(2) *Yeraz, LTD,* Room 927 9/F Far East Consortium Building, 121 Des Voeux Road C, Central District, Hong Kong.

Lebanon

(1) *Micro Power Engineering Group,* a.k.a MPEG, Anwar Street, Abou Karam Building, 1st Floor, Jdeidet El Metn, Beirut, Lebanon;

(2) *Narinco Micro Sarl,* Dedeyan Center, Dora Boulevard Street, Bauchrieh Metn, Lebanon;

(3) *Serop Elmayan and Sons Lebanon,* Ground Floor, Aramouni Building, Property Number 1731, Fleuve Street, Mar Mekhael Sector, Beirut, Lebanon; and

(4) *Serpico Offshore Sarl*, Ground Floor, Aramouni Building, Property Number 1731, Fleuve Street, Mar Mekhael Sector, Beirut, Lebanon.

Savings Clause

Shipments of items removed from eligibility for a License Exception or export or reexport without a license (NLR) as a result of this regulatory action that were on dock for loading, on lighter, laden aboard an exporting or reexporting carrier, or en route aboard a carrier to a port of export or reexport, on July 25, 2011, pursuant to actual orders for export or reexport to a foreign destination, may proceed to that destination under the previous eligibility for a License Exception or export or reexport without a license (NLR) so long as they are exported or reexported before August 9, 2011. Any such items not actually exported or reexported before midnight, on August 9, 2011, require a license in accordance with the EAR.

Although the Export Administration Act expired on August 20, 2001, the President, through Executive Order 13222 of August 17, 2001, 3 CFR, 2001 Comp., p. 783 (2002), as extended by the Notice of August 12, 2010, 75 FR 50681 (August 16, 2010), has continued the Export Administration Regulations in effect under the International Emergency Economic Powers Act.

Rulemaking Requirements

1. Executive Orders 13563 and 12866 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This rule has been determined to be not significant for purposes of Executive Order 12866.

2. Notwithstanding any other provision of law, no person is required to respond to nor be subject to a penalty for failure to comply with a collection of information, subject to the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) (PRA), unless that collection of information displays a currently valid Office of Management and Budget (OMB) Control Number. This regulation involves collections previously approved by the OMB under control numbers 0694–0088, ''Multi-Purpose Application,'' which carries a burden hour estimate of 43.8 minutes for a manual or electronic submission. Total burden hours associated with the Paperwork Reduction Act and Office of Management and Budget control number 0694–0088 are expected to increase slightly as a result of this rule. You may send comments regarding the collection of information associated with this rule, including suggestions for reducing the burden, to Jasmeet K. Seehra, Office of Management and Budget (OMB), by e-mail to *Jasmeet_K._Seehra@omb.eop.gov,* or by fax to (202) 395–7285.

3. This rule does not contain policies with Federalism implications as that term is defined in Executive Order 13132.

4. The provisions of the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, the opportunity for public comment and a delay in effective date are inapplicable because this regulation involves a military or foreign affairs function of the United States. (*See* 5 U.S.C. 553(a)(1)). BIS implements this rule to protect U.S. national security or foreign policy interests by preventing items from being exported, reexported, or transferred (in country) to the persons being added to the Entity List. If this rule were delayed to allow for notice and comment and a delay in effective date, then entities being added to the Entity List by this action would continue to be able to receive items without a license and to conduct activities contrary to the national security or foreign policy interests of the United States. In addition, because these parties may receive notice of the U.S. Government's intention to place these entities on the Entity List once a final rule was published it would create an incentive for these persons to either accelerate receiving items subject to the EAR to conduct activities that are contrary to the national security or foreign policy interests of the United States and/or to take steps to set up additional aliases, change addresses and take other steps to try to limit the impact of the listing on the Entity List once a final rule was published. Further, no other law requires that a notice of proposed rulemaking and an opportunity for public comment be given for this rule. Because a notice of proposed rulemaking and an opportunity for public comment are not required to be given for this rule by 5

U.S.C. 553, or by any other law, the analytical requirements of the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.,* are not applicable.

List of Subjects in 15 CFR Part 744

Exports, Reporting and recordkeeping requirements, Terrorism.

Accordingly, part 744 of the Export Administration Regulations (15 CFR parts 730–774) is amended as follows:

PART 744—[AMENDED]

■ 1. The authority citation for 15 CFR part 744 continues to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.;* 50 U.S.C. 1701 *et seq.;* 22 U.S.C. 3201 *et seq.;* 42 U.S.C. 2139a; 22 U.S.C. 7201 *et seq.;* 22 U.S.C. 7210; E.O. 12058, 43 FR 20947, 3 CFR, 1978 Comp., p. 179; E.O. 12851, 58 FR 33181, 3 CFR, 1993 Comp., p. 608; E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; E.O. 12947, 60 FR 5079, 3 CFR, 1995 Comp., p. 356; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; E.O. 13099, 63 FR 45167, 3 CFR, 1998 Comp., p. 208; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; E.O. 13224, 66 FR 49079, 3 CFR, 2001 Comp., p. 786; Notice of August 12, 2010, 75 FR 50681 (August 16, 2010); Notice of November 4, 2010, 75 FR 68673 (November 8, 2010): Notice of January 13, 2011, 76 FR 3009, January 18, 2011.

■ 2. Supplement No. 4 to part 744 is amended:

■ a. By adding under Hong Kong, in alphabetical order, two Hong Kong entities; and

■ b. By adding under, Lebanon, in alphabetical order, four Lebanese entities.

The additions read as follows:

SUPPLEMENT NO. 4 TO PART 744—ENTITY LIST

Country	Entity	License requirement	License review policy	**Federal Register** citation
*	*	*	*	*
HONG KONG				
*	*	*	*	*
	Biznest, LTD, Room 927 9/F Far East Consortium Building, 121 Des Voeux Road C, Central District, Hong Kong.	For all items subject to the EAR. (See § 744.11 of the EAR).	Presumption of denial	76 FR [INSERT FR PAGE NUMBER], 7/25/11.
*	*	*	*	*
	Yeraz, LTD, Room 927 9/F Far East Consortium Building, 121 Des Voeux Road C, Central District, Hong Kong.	For all items subject to the EAR. (See § 744.11 of the EAR).	Presumption of denial	76 FR [INSERT FR PAGE NUMBER], 7/25/11.
*	*	*	*	*
LEBANON				
*	*	*	*	*
	Micro Power Engineering Group, a.k.a., MPEG, Anwar Street, Abou Karam Building, 1st Floor, Jdeidet El Metn, Beirut, Lebanon.	For all items subject to the EAR. (See § 744.11 of the EAR).	Presumption of denial	76 FR [INSERT FR PAGE NUMBER], 7/25/11.
*	*	*	*	*
	Narinco Micro Sarl, Dedeyan Center, Dora Boulevard Street, Bauchrieh Metn. Lebanon.	For all items subject to the EAR. (See § 744.11 of the EAR).	Presumption of denial	76 FR [INSERT FR PAGE NUMBER], 7/25/11.
	Serop Elmayan and Sons Lebanon, Ground Floor, Aramouni Building, Property Number 1731, Fleuve Street, Mar Mekhael Sector, Beirut, Lebanon.	For all items subject to the EAR. (See § 744.11 of the EAR).	Presumption of denial	76 FR [INSERT FR PAGE NUMBER], 7/25/11.
	Serpico Offshore Sarl, Ground Floor, Aramouni Building, Property Number 1731 Fleuve Street, Mar Mekhael Sector, Beirut, Lebanon.	For all items subject to the EAR. (See § 744.11 of the EAR).	Presumption of denial	76 FR [INSERT FR PAGE NUMBER], 7/25/11.
*	*	*	*	*

Dated: July 20, 2011.

Kevin J. Wolf,

Assistant Secretary for Export Administration.

[FR Doc. 2011–18718 Filed 7–22–11; 8:45 am]

BILLING CODE 3510–33–P

COMMODITY FUTURES TRADING COMMISSION

17 CFR Parts 1 and 4

RIN 3038–AD11

Removing Any Reference to or Reliance on Credit Ratings in Commission Regulations; Proposing Alternatives to the Use of Credit Ratings

AGENCY: Commodity Futures Trading Commission.

ACTION: Final rule.

SUMMARY: The Commodity Futures Trading Commission (''Commission'' or ''CFTC'') is adopting a final rule that amends existing CFTC regulations in order to implement new statutory provisions enacted by Title IX of the Dodd-Frank Wall Street Reform and Consumer Protection Act (''Dodd-Frank Act''). The rule amendments set forth herein apply to futures commission merchants (''FCMs''), derivatives clearing organizations (''DCOs''), and commodity pool operators (''CPOs''). The rule amendments implement the new statutory framework that requires agencies to replace any reference to or reliance on credit ratings in their regulations with an appropriate alternative standard.

DATES: This rule is effective September 23, 2011.

FOR FURTHER INFORMATION CONTACT: Ward P. Griffin, Counsel, Office of General Counsel, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581. Telephone: 202–418–5425. E-mail: *wgriffin@cftc.gov.*

SUPPLEMENTARY INFORMATION:

I. Background

On July 21, 2010, President Obama signed into law the Dodd-Frank Act.[1] In relevant part, Title IX of the Dodd-Frank Act directs Federal agencies to take certain actions concerning any reference to—or requirement of reliance on—credit ratings in each agency's respective regulations. Specifically, section 939A of the Dodd-Frank Act requires agencies to take three actions by July 21, 2011, the one-year anniversary of the enactment of the Dodd-Frank Act. First, section 939A(a) directs each Federal agency to review ''any regulation issued by such agency that requires the use of an assessment of the credit-worthiness of a security or money market instrument [and] any references to or requirements in such regulations regarding credit ratings.'' Second, section 939A(b) requires that each Federal agency ''modify any such regulations identified by the review conducted under subsection (a) to remove any reference to or requirement of reliance on credit ratings and to substitute in such regulations such standard of credit-worthiness as each respective agency shall determine as appropriate for such regulations.'' To the extent feasible, Federal agencies should ''seek to establish * * * uniform standards of credit-worthiness for use by each such agency.'' And third, section 939A(c) directs each Federal agency to report to Congress ''a description of any modification of any regulation such agency made pursuant to subsection (b).''

Subsequent to the enactment of the Dodd-Frank Act, the Commission reviewed its regulations and identified instances in which credit ratings were referred to or relied upon.[2] The identified regulations could be categorized into two groups: (1) those that rely on ratings to limit how Commission registrants may invest or deposit customer funds; and (2) those that require disclosing a credit rating to describe an investment's characteristics. In keeping with its efforts to comply fully with both the spirit and letter of the Dodd-Frank Act, the Commission proposed to amend all of the identified regulations that rely on credit ratings regarding financial instruments.

On November 2, 2010, the Commission published in the **Federal Register** proposed amendments to certain of its existing regulations (the ''Proposing Release'') in response to the directives set forth in section 939A of the Dodd-Frank Act.[3] Specifically, the Commission addressed two regulations in the Proposing Release: (1) Regulation 1.49, which places qualifications on the types of depositories where FCMs and DCOs might place customer funds; and (2) Regulation 4.24, wherein credit ratings are used to help disclose the characteristics of an investment.[4]

Regulation 1.49, which mirrors Regulation 30.7,[5] requires that an acceptable foreign depository must either: (1) Have in excess of $1 billion of regulatory capital; or (2) issue commercial paper or a long-term debt instrument that is rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization (''NRSRO''). In the Proposing Release, the Commission proposed to remove all ratings requirements from Regulation 1.49. The Commission based its proposal on its views regarding the uncertain reliability of ratings as currently administered, particularly in light of the significant weaknesses of the ratings industry that were revealed in recent years. The Commission noted the poor past performance of credit ratings in gauging the safety of certain types of investments, and its view that credit ratings are not necessary to gauge the future ability of certain types of investments to preserve customer funds. The proposal was intended to align Regulation 1.49 with proposed Regulations 1.25 and 30.7, and to greater simplify the regulatory treatment of the investment of customer funds.

With respect to the proposed amendment of Regulation 1.49, the Commission requested comment on: (1) Whether relying on a minimum capital requirement of $1 billion dollars in regulatory capital is an adequate alternative standard to the current Regulation 1.49; and (2) whether another standard or measure of solvency and credit-worthiness should be used as an appropriate, additional test of a bank's safety, such as a leverage ratio or a capital adequacy ratio requirement consistent with or similar to those in the Basel III accords. The Commission also stated that it would welcome any other comments on the proposal.

[1] Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. 111–203, 124 Stat. 1376 (2010). The text of the Dodd-Frank Act may be accessed at *http://www.cftc.gov/LawRegulation/OTCDERIVATIVES/index.htm.*

[2] Commission regulations that are referenced herein are found at 17 CFR Ch. 1 (2010). They are accessible on the Commission's Web site at *http://www.cftc.gov.*

[3] 75 FR 67254, Nov. 2, 2010.

[4] Separately, the Commission issued Notices of Proposed Rulemaking that addressed references to credit ratings in Commission Regulations 1.25 and 30.7, and in Appendix A to Part 40. *See* ''Investment of Customer Funds and Funds Held in an Account for Foreign Futures and Foreign Options Transactions,'' 75 FR 67642, Nov. 3, 2010 (proposing amendments to Regulations 1.25 and 30.7); ''Provisions Common to Registered Entities,'' 75 FR 67282, Nov. 2, 2010 (proposing to delete the current Appendix A of Part 40). The amendments proposed in those Notices are not addressed herein and may be subject to future Commission rulemaking.

[5] *See* 68 FR 5545, 5548, Feb. 4, 2003 (noting the Commission's view that consistency between Regulations 1.49 and 30.7 on this issue is ''appropriate''). In a separate release, the Commission has proposed amendments to Regulation 30.7 that are similar to the amendments to Regulation 1.49 addressed herein. *See supra* note 4.