

reasons discussion below, the Commission is granting approval of the proposed rule change.

## II. Description

CME currently offers clearing services for certain credit default swap ("CDS") index products. CME proposes to amend certain of its rules that would generally affect its CDS clearing offering and to make corresponding amendments to certain sections of its Manual of Operations for CME Cleared Credit Default Swaps ("CDS Manual"). The rule amendments would modify CME's CDS guaranty fund allocation methodology, end-of-day pricing procedures, daily submission deadlines, holiday accrual processing, and the timeline for price alignment interest ("PAI") payment timeline.

The proposed changes to text in the CME rulebook would amend current requirements found in CME Rule 8H07.1 relating to the allocation of the CDS guaranty fund requirements among CDS clearing members. Currently, CME calculates its guaranty fund monthly and proportionally allocates to each CDS clearing member a guaranty fund requirement based on the CDS clearing member's 90-day trailing average of its potential residual loss and 90-day trailing average of its gross notional open interest outstanding at CME. CME is proposing to change the measurement period from 90 days to 30 days so that a CME clearing member's CDS guaranty fund requirement more quickly react to the CDS clearing member's current activity and to align the measurement period with the frequency of CDS guaranty fund calculations.

The proposed changes to the text of the CDS Manual would modify end-of-day pricing procedures including procedures for CDS price submissions, crossing, and auction procedures that CME uses to arrive at the settlement price for CDS contracts. Currently, CME requires CDS clearing members to submit price levels for the full term structures of all indices and single-name reference entities by seniority, restructuring type, and currency eligible for clearing. If a CDS clearing member chooses to submit price levels on a cleared contract in which it does not hold open interest, CME hold that price submission as tradable if a cross occurs and the submitted instrument is selected pursuant to the auction process. However, under CME's current procedures, submitted price levels for non-cleared instruments are never actionable (*i.e.*, tradable). CME is proposing to change it CDS Manual to require CDS clearing members to submit price levels for all cleared contracts in

which they or their customers hold open interest. For indices where CDS clearing members are required to submit the full clearing eligible tenors of all indices, CME will only cross CDS clearing members on the tenors in which the CDS clearing members or their customers hold open interest. For single-name CDS, CME will require CDS clearing members to submit mid price levels for the full term structures for the 0, 0.5-, 1-, 2-, 3-, 4-, 5-, 7- and 10-year tenors. However, CME may cross the CDS clearing members on any single-name reference entity in which the CDS clearing members or their customer(s) hold open interest irrespective of tenor.

CME is also amending its CDS Manual to change (1) the daily submission deadlines for CDS, (2) the CDS holiday accrual processing, and (3) the PAI payment timeline. With respect to operations timelines and reports, CME would move up the trade submission deadline for current day trades from 7:59 p.m. ET to 6:59 p.m. ET. With respect to position management, money calculations, and collateral, the revisions to the CDS Manual would require on bank holidays in the country of which the swap is denominated (*e.g.*, Independence Day for U.S. Dollar denominated CDS contracts), accrual processing would be included in the processing for the next business day and would not occur on the relevant bank holiday. In addition, CME would calculate and pay PAI for CDS contracts on a daily basis as opposed to monthly.

## III. Discussion

Section 19(b)(2)(C) of the Act directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such organization.<sup>4</sup> In particular, Section 17A(b)(3)(F)<sup>5</sup> of the Act requires, among other things, that the rules of a clearing agency be designed to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible. By making CDS clearing members' guaranty fund requirements be based on relatively more recent histories, the proposed amended rule governing guaranty fund allocations should improve CME's ability to react to CDS market dynamics and thereby should help CME better assure the safeguarding of securities and funds which are in its custody or control or for which it is responsible. As

<sup>4</sup> 15 U.S.C. 78s(b)(2)(C).

<sup>5</sup> 15 U.S.C. 78q-1(B)(3)(F).

such, the proposed rule change is consistent with the requirements of Section 17A(b)(3)(F) of the Act. Also, the requirement that CDS clearing members submit pricing for all tenors of clearing-eligible indices and for the full term structure for single-name CDS should enhance CME's ability to derive end-of-day settlement prices. In addition, because the operational changes CME is proposing would generally require clearing members to make trade submissions more promptly, require CME to calculate price alignment more frequently, and clarify when price accrual processing occurs in the event of a bank holiday, such a change should promote the prompt and accurate clearance and settlement of securities transactions and derivative agreements, contracts, and transactions and therefore is consistent with the requirements of Section 17A(b)(3)(F) of the Act.

## IV. Conclusion

On the basis of the foregoing, the Commission finds the proposal is consistent with the requirements of the Act and in particular with the requirements of 17A of the Act and the rules and regulations thereunder.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-CME-2012-06), be, and hereby is, approved.<sup>6</sup>

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

**Kevin M. O'Neill,**

*Deputy Secretary.*

[FR Doc. 2012-11533 Filed 5-11-12; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-66940; File No. SR-CME-2012-14]

### Self-Regulatory Organizations; Chicago Mercantile Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Fee Schedule Applicable to OTC S&P GSCI-ER Swaps Contracts

May 8, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934

<sup>6</sup> In approving the proposed rule change, the Commission considered the proposal's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>7</sup> 17 CFR 200.30-3(a)(12).

("Act"),<sup>1</sup> and Rule 19b-4<sup>2</sup> thereunder, notice is hereby given that on April 25, 2012, Chicago Mercantile Exchange, Inc. ("CME") filed with the Securities and Exchange Commission ("Commission") the proposed rule change described in Items I, II and III, below, which Items have been prepared primarily by CME. CME filed the proposed rule change pursuant to Section 19(b)(3)(A)(ii)<sup>3</sup> of the Act and Rule 19b-4(f)(2)<sup>4</sup> thereunder, so that the proposed rule change was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

#### **I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change**

CME is proposing to amend the fee schedule that currently applies to its OTC S&P GSCI-ER swaps clearing offering.

#### **II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

In its filing with the Commission, CME included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. CME has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of these statements.<sup>5</sup>

##### *A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change*

CME currently offers clearing for certain OTC swap products. CME proposes to change the fee structure for cleared swap contracts in S&P GSCI-ER, S&P GSCI Gold ER, S&P GSCI Crude Oil ER, S&P GSCI-ER 2 Month Forward and S&P GSCI ER 3 Month Forward. As the proposed changes relate to fees, they became effective when they were filed on April 25, 2012. CME applied the new fee structure, however, only to contract months with a trade date of May 1, 2012 or later.

Currently, fees for these OTC swap products are assessed as a portion (.0005 annually) of the notional value of the open positions in the contracts. This

contrasts with the flat fees CME charges on futures and options on futures products. CME believes the marketplace would prefer a fee structure for OTC swap products that charges fees on a per contract basis. This type of fee structure is also easier to support from an operational standpoint. CME expects this change will attract additional interest and liquidity in these products.

CME has also certified the proposed rule changes that are the subject of this filing to its primary regulator, the Commodity Futures Trading Commission ("CFTC"), in CME Submission 12-119.

The proposed CME rule amendments establish or change a member due, fee or other charge imposed by CME under Section 19(b)(3)(A)(ii) of the Act and Rule 19b-4(f)(2) thereunder. CME believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder, particularly, Section 17A(b)(3)(D),<sup>6</sup> in that the proposed rule change provides for the equitable allocation of reasonable dues, fees, and other charges among participants. CME notes that it operates in a highly competitive market in which market participants can readily direct business to competing venues.

##### *B. Self-Regulatory Organization's Statement on Burden on Competition*

CME does not believe the proposed rule change will have any impact or impose any burden on competition.

##### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

CME has not solicited, and does not intend to solicit, comments regarding this proposed rule change. CME has not received any unsolicited written comments from interested parties. CME will notify the Commission of any written comments received by CME.

#### **III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

The foregoing proposed rule change was filed pursuant to Section 19(b)(3)(A)(ii)<sup>7</sup> of the Act and Rule 19b-4(f)(2)<sup>8</sup> thereunder, and thus became effective upon filing because it establishes or changes a due, fee, or other charge applicable only to a member. At any time within 60 days after the filing of the proposed rule change, the Commission summarily may

temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

#### **IV. Solicitation of Comments**

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

- Electronic comments may be submitted by using the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>), or by sending an email to [rule-comment@sec.gov](mailto:rule-comment@sec.gov). Please include File No. SR-CME-2012-14 on the subject line.

- Paper comments should be sent in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-CME-2012-14. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of CME, and on CME's Web site at [http://www.cmegroup.com/market-regulation/files/SEC\\_19b-4\\_12-14.pdf](http://www.cmegroup.com/market-regulation/files/SEC_19b-4_12-14.pdf). All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>4</sup> 17 CFR 240.19b-4(f)(2).

<sup>5</sup> The Commission has modified the text of the summaries prepared by CME.

<sup>6</sup> 15 U.S.C. 78q-1(b)(3)(D).

<sup>7</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>8</sup> 17 CFR 240.19b-4(f)(2).

All submissions should refer to File Number SR-CME-2012-14 and should be submitted on or before June 4, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>9</sup>

**Kevin M. O'Neill,**  
*Deputy Secretary.*

[FR Doc. 2012-11532 Filed 5-11-12; 8:45 am]

**BILLING CODE 8011-01-P**

## SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #13065 and #13066]

### Hawaii Disaster Number HI-00026

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Amendment 1.

**SUMMARY:** This is an amendment of the Presidential declaration of a major disaster for Public Assistance Only for the State of Hawaii (FEMA-4062-DR), dated 04/18/2012.

*Incident:* Severe Storms, Flooding, and Landslides.

*Incident Period:* 03/03/2012 through 03/11/2012.

*Effective Date:* 05/04/2012.

*Physical Loan Application Deadline Date:* 06/18/2012.

*Economic Injury (EIDL) Loan Application Deadline Date:* 01/18/2013.

**ADDRESSES:** Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

**FOR FURTHER INFORMATION CONTACT:** A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW., Suite 6050, Washington, DC 20416.

**SUPPLEMENTARY INFORMATION:** The notice of the President's major disaster declaration for Private Non-Profit organizations in the State of HAWAII, dated 04/18/2012, is hereby amended to include the following areas as adversely affected by the disaster.

*Primary Counties:* Maui.

All other information in the original declaration remains unchanged.

(Catalog of Federal Domestic Assistance Numbers 59002 and 59008)

**James E. Rivera,**  
*Associate Administrator for Disaster Assistance.*

[FR Doc. 2012-11587 Filed 5-11-12; 8:45 am]

**BILLING CODE 8025-01-P**

## DEPARTMENT OF STATE

[Public Notice 7880]

### Culturally Significant Objects Imported for Exhibition Determinations: "Gustav Klimt: The Magic of Line"

**SUMMARY:** Notice is hereby given of the following determinations: Pursuant to the authority vested in me by the Act of October 19, 1965 (79 Stat. 985; 22 U.S.C. 2459), Executive Order 12047 of March 27, 1978, the Foreign Affairs Reform and Restructuring Act of 1998 (112 Stat. 2681, *et seq.*; 22 U.S.C. 6501 note, *et seq.*), Delegation of Authority No. 234 of October 1, 1999, and Delegation of Authority No. 236-3 of August 28, 2000 (and, as appropriate, Delegation of Authority No. 257 of April 15, 2003), I hereby determine that the objects to be included in the exhibition "Gustav Klimt: The Magic of Line," imported from abroad for temporary exhibition within the United States, are of cultural significance. The objects are imported pursuant to loan agreements with the foreign owners or custodians. I also determine that the exhibition or display of the exhibit objects at the J. Paul Getty Museum, Los Angeles, California, from on or about July 3, 2012 until on or about September 23, 2012, and at possible additional exhibitions or venues yet to be determined, is in the national interest. I have ordered that Public Notice of these Determinations be published in the **Federal Register**.

**FOR FURTHER INFORMATION CONTACT:** For further information, including a list of the exhibit objects, contact Paul W. Manning, Attorney-Adviser, Office of the Legal Adviser, U.S. Department of State (telephone: 202-632-6469). The mailing address is U.S. Department of State, SA-5, L/DP, Fifth Floor (Suite 5H03), Washington, DC 20522-0505.

Dated: May 8, 2012.

**J. Adam Erel,**  
*Principal Deputy Assistant Secretary, Bureau of Educational and Cultural Affairs, Department of State.*

[FR Doc. 2012-11619 Filed 5-11-12; 8:45 am]

**BILLING CODE 4710-05-P**

## DEPARTMENT OF STATE

[Public Notice 7881]

### Culturally Significant Objects Imported for Exhibition Determinations: "Gauguin, Cézanne, Matisse: Visions of Arcadia"

**SUMMARY:** Notice is hereby given of the following determinations: Pursuant to the authority vested in me by the Act of October 19, 1965 (79 Stat. 985; 22 U.S.C.

2459), Executive Order 12047 of March 27, 1978, the Foreign Affairs Reform and Restructuring Act of 1998 (112 Stat. 2681, *et seq.*; 22 U.S.C. 6501 note, *et seq.*), Delegation of Authority No. 234 of October 1, 1999, and Delegation of Authority No. 236-3 of August 28, 2000 (and, as appropriate, Delegation of Authority No. 257 of April 15, 2003), I hereby determine that the objects to be included in the exhibition "Gauguin, Cézanne, Matisse: Visions of Arcadia," imported from abroad for temporary exhibition within the United States, are of cultural significance. The objects are imported pursuant to loan agreements with the foreign owners or custodians. I also determine that the exhibition or display of the exhibit objects at the Philadelphia Museum of Art, Philadelphia, Pennsylvania, from on or about June 20, 2012 until on or about September 3, 2012, and at possible additional exhibitions or venues yet to be determined, is in the national interest. I have ordered that Public Notice of these Determinations be published in the **Federal Register**.

**FOR FURTHER INFORMATION CONTACT:** For further information, including a list of the exhibit objects, contact Paul W. Manning, Attorney-Adviser, Office of the Legal Adviser, U.S. Department of State (telephone: 202-632-6469). The mailing address is U.S. Department of State, SA-5, L/DP, Fifth Floor (Suite 5H03), Washington, DC 20522-0505.

Dated: May 8, 2012.

**J. Adam Erel,**  
*Principal Deputy Assistant Secretary, Bureau of Educational and Cultural Affairs, Department of State.*

[FR Doc. 2012-11622 Filed 5-11-12; 8:45 am]

**BILLING CODE 4710-05-P**

## DEPARTMENT OF STATE

[Public Notice: 7873]

### Meetings of the United States-Peru Environmental Affairs Council, Environmental Cooperation Commission and Sub-Committee on Forest Sector Governance

**ACTION:** Notice of meetings of the United States-Peru Environmental Affairs Council, Environmental Cooperation Commission and Sub-Committee on Forest Sector Governance, and request for comments.

**SUMMARY:** The Department of State and the Office of the United States Trade Representative (USTR) are providing notice that the United States and Peru intend to hold the fifth meeting of the Sub-Committee on Forest Sector

<sup>9</sup> 17 CFR 200.30-3(a)(12).