

Proposed Rules

Federal Register

Vol. 80, No. 2

Monday, January 5, 2015

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

COMMODITY FUTURES TRADING COMMISSION

17 CFR Parts 1, 15, 17, 19, 32, 37, 38, 140, and 150

RIN 3038-AD99; 3038-AD82

Position Limits for Derivatives and Aggregation of Positions

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice of proposed rulemaking; reopening of comment periods.

SUMMARY: On December 12, 2013, the Commodity Futures Trading Commission (“Commission”) published in the **Federal Register** a notice of proposed rulemaking (the “Position Limits Proposal”) to establish speculative position limits for 28 exempt and agricultural commodity futures and options contracts and the physical commodity swaps that are economically equivalent to such contracts. On November 15, 2013, the Commission published in the **Federal Register** a notice of proposed rulemaking (the “Aggregation Proposal”) to amend existing regulations setting out the Commission’s policy for aggregation under its position limits regime. On December 9, 2014, the Commission’s Agricultural Advisory Committee held a public meeting that considered, among other matters, deliverable supply and exemptions for bona fide hedging positions. In conjunction with the meeting of the Commission’s Agricultural Advisory Committee, the Commission posted questions and presentation materials on the Commission’s Web site; additionally, access to a video webcast of the meeting has been added to the Web site. To provide commenters with a sufficient period of time to respond to questions raised and points made at the Agricultural Advisory Committee meeting, the Commission reopened the comment periods for an additional 45 days, from December 9, 2014 to January 22, 2015. The Commission is providing

notice and clarification that, in addition to commenting on the agenda issues noted in the December 4, 2014, **Federal Register** release providing notice of the re-opened comment period, comments may be made on the issues addressed at the meeting or in the associated materials posted to the Commission’s Web site, as they pertain to agricultural commodities.

DATES: The comment periods for the Aggregation Proposal published November 15, 2013, at 78 FR 68946, and for the Position Limits Proposal published December 12, 2013, at 78 FR 75680, reopened on December 9, 2014, and will close on January 22, 2015.

ADDRESSES: You may submit comments, identified by RIN 3038-AD99 for the Position Limits Proposal or RIN 3038-AD82 for the Aggregation Proposal, by any of the following methods:

- *Agency Web site:* <http://comments.cftc.gov>;
- *Mail:* Christopher Kirkpatrick, 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; or
- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow instructions for submitting comments.

Please submit your comments using only one method. All comments must be submitted in English, or if not, accompanied by an English translation. Comments will be posted as received to <http://www.cftc.gov>. You should submit only information that you wish to make available publicly. If you wish the Commission to consider information that may be exempt from disclosure under the Freedom of Information Act, a petition for confidential treatment of the exempt information may be submitted under § 145.9 of the Commission’s regulations (17 CFR 145.9).

The Commission reserves the right, but shall have no obligation, to review, pre-screen, filter, redact, refuse or remove any or all of your submission from <http://www.cftc.gov> that it may deem to be inappropriate for publication, such as obscene language. All submissions that have been redacted or removed that contain comments on the merits of the rulemaking will be retained in the public comment file and

will be considered as required under the Administrative Procedure Act and other applicable laws, and may be accessible under the Freedom of Information Act.

FOR FURTHER INFORMATION CONTACT: Stephen Sherrrod, Senior Economist, Division of Market Oversight, (202) 418-5452, ssherrod@cftc.gov; or Riva Spear Adriance, Senior Special Counsel, Division of Market Oversight, (202) 418-5494, radriance@cftc.gov; Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street NW., Washington, DC 20581.

SUPPLEMENTARY INFORMATION:

I. Background

The Commission has long established and enforced speculative position limits for futures and options contracts on various agricultural commodities as authorized by the Commodity Exchange Act (“CEA”).¹ The part 150 position limits regime² generally includes three components: (1) The level of the limits, which set a threshold that restricts the number of speculative positions that a person may hold in the spot-month, individual month, and all months combined,³ (2) exemptions for positions that constitute bona fide hedging transactions and certain other types of transactions,⁴ and (3) rules to determine which accounts and positions a person must aggregate for the purpose of determining compliance with the position limit levels.⁵ The Position Limits Proposal generally sets out proposed changes to the first and second components of the position limits regime and would establish speculative position limits for 28 exempt and agricultural commodity futures and option contracts, and physical commodity swaps that are “economically equivalent” to such contracts (as such term is used in CEA section 4a(a)(5)).⁶ The Aggregation Proposal generally sets out proposed changes to the third component of the position limits regime.⁷

¹ 7 U.S.C. 1 *et seq.*

² See 17 CFR part 150. Part 150 of the Commission’s regulations establishes federal position limits on futures and option contracts in nine enumerated agricultural commodities.

³ See 17 CFR 150.2.

⁴ See 17 CFR 150.3.

⁵ See 17 CFR 150.4.

⁶ See Position Limits for Derivatives, 78 FR 75680 (Dec. 12, 2013).

⁷ See Aggregation of Positions, 78 FR 68946 (Nov. 15, 2013).

The Commission published the Position Limits Proposal and the Aggregation Proposal separately because it believes that the proposed amendments regarding aggregation of positions could be appropriate regardless of whether the Position Limits Proposal is finalized.⁸ If the Aggregation Proposal is finalized first, the modifications would apply to the current position limits regime for futures and option contracts on nine enumerated agricultural commodities. If the Position Limits Proposal is subsequently finalized, the modifications in the Aggregation Proposal would apply to the position limits regime for 28 exempt and agricultural commodity futures and options contracts and the physical commodity swaps that are economically equivalent to such contracts.

In order to provide interested parties with an opportunity to comment on the Aggregation Proposal during the comment period on the Position Limits Proposal, the Commission extended the comment period for the Aggregation Proposal to February 10, 2014, the same end date as the comment period for the Position Limits Proposal.⁹

Subsequent to publication of the Position Limits Proposal and the Aggregation Proposal, the Commission directed staff to schedule a June 19, 2014, public roundtable to consider certain issues regarding position limits for physical commodity derivatives. The roundtable focused on hedges of a physical commodity by a commercial enterprise, including gross hedging, cross-commodity hedging, anticipatory hedging, and the process for obtaining a non-enumerated exemption. Discussion included the setting of spot month limits in physical-delivery and cash-settled contracts and a conditional spot-month limit exemption. Further, the roundtable included discussion of: The aggregation exemption for certain ownership interests of greater than 50 percent in an owned entity; and aggregation based on substantially identical trading strategies. As well, the Commission invited comment on whether to provide parity for wheat contracts in non-spot month limits. In conjunction with the roundtable, staff questions regarding these topics were posted on the Commission's Web site.

To provide commenters with a sufficient period of time to respond to questions raised and points made at the roundtable, the Commission published a document in the **Federal Register** on May 29, 2014, reopening the comment

periods for the Position Limit Proposal and the Aggregation Proposal for three weeks, from June 12, 2014 to July 3, 2014. The Commission published notice in the **Federal Register** on July 3, 2014, further extending the comment periods to August 4, 2014.

Comment letters received on the Position Limits Proposal are available at <http://comments.cftc.gov/PublicComments/CommentList.aspx?id=1436>. Comment letters received on the Aggregation Proposal are available at <http://comments.cftc.gov/PublicComments/CommentList.aspx?id=1427>.

II. Reopening of Comment Period

The Commission's Agricultural Advisory Committee met on December 9, 2014. The agenda adopted for the meeting included consideration, among other matters, of two issues associated with the Position Limits rulemaking: Deliverable supply and exemptions for bona fide hedging positions. In conjunction with the meeting of the Commission's Agricultural Advisory Committee, the Commission posted questions and presentation materials on the Commission's Web site; additionally, access to a video webcast of the meeting has been added to the Web site.¹⁰ To provide interested persons with a sufficient period of time to respond to questions raised and points made at the Agricultural Advisory Committee meeting, the Commission reopened both the Position Limit Proposal and the Aggregation Proposal for an additional 45-day comment period.¹¹ The Commission is providing notice and clarification that, in addition to commenting on the agenda issues noted in the December 4, 2014, **Federal Register** release providing notice of the reopened comment period, comments may be made on the issues addressed at the meeting or in associated materials posted to the Commission's Web site, as they pertain to agricultural commodities, including hedges of a physical commodity by a commercial enterprise; and the process for estimating deliverable supplies used in the setting of spot month limits, as each pertains to agricultural commodities.

Both comment periods reopened on December 9, 2014, and will close on January 22, 2015.

¹⁰ Questions, presentation materials, and a video webcast have been made available at http://www.cftc.gov/PressRoom/Events/opaevent_aac120914.

¹¹ See 79 FR 71973 (Dec. 4, 2014).

Issued in Washington, DC, on December 30, 2014, by the Commission.

Christopher J. Kirkpatrick,
Secretary of the Commission.

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

Appendix to Position Limits for Derivatives and Aggregation of Positions Reopening of Comment Periods—Commission Voting Summary

On this matter, Chairman Massad and Commissioners Wetjen, Bowen, and Giancarlo voted in the affirmative. No Commissioner voted in the negative.

[FR Doc. 2014-30831 Filed 1-2-15; 8:45 am]

BILLING CODE 6351-01-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA-R05-OAR-2013-0780; FRL-9921-27-Region-5]

Approval and Promulgation of Air Quality Implementation Plans; Indiana; Minor NSR for Title V and FESOP Sources

AGENCY: Environmental Protection Agency.

ACTION: Proposed rule.

SUMMARY: The Environmental Protection Agency (EPA) is proposing approval of revisions to Indiana's minor new source review construction permit rule. The rule applies to construction of new units or modifications of existing units at sources subject to title V and Federal enforceable state operating permit requirements. If approved, this rule will replace the previous state implementation plan (SIP) minor source construction permit rule for Indiana.

DATES: Comments must be received on or before February 4, 2015.

ADDRESSES: Submit your comments, identified by Docket ID No. EPA-R05-OAR-2013-0780, by one of the following methods:

1. *www.regulations.gov*: Follow the on-line instructions for submitting comments.
2. *Email*: damico.genevieve@epa.gov.
3. *Fax*: (312) 385-5501.
4. *Mail*: Genevieve Damico, Chief, Air Permits Section, Air Programs Branch (AR-18J), U.S. Environmental Protection Agency, 77 West Jackson Boulevard, Chicago, Illinois 60604.
5. *Hand Delivery*: Genevieve Damico, Chief, Air Permits Section, Air Programs Branch (AR-18J), U.S. Environmental Protection Agency, 77 West Jackson Boulevard, Chicago, Illinois 60604.

⁸ See *id.* at 68947.

⁹ See 79 FR 2394 (Jan. 14, 2014).