

of the upper range extension for an employee who receives a rating of record of Outstanding will be terminated and converted to an equal adjusted rate; (5) provide the range maximum rate used to compute retained rate adjustments is the normal range maximum rate (including any locality adjustment or staffing supplement) for employees with a rating of record below Outstanding and the upper range maximum rate (including any locality adjustment or staffing supplement) for an employee with an Outstanding rating of record; and (6) provide when a retained rate for an employee with a rating of record below Fully Successful falls below the applicable adjusted rate for the normal grade maximum, the retained rate will be terminated and the employee's pay will be set at an adjusted rate equal to the retained rate).

Part 752, section 752.401(a)(4): Adverse actions (only to the extent necessary to provide that adverse action provisions do not apply to reductions in rates of basic pay to offset a locality pay or special rate supplement increase as a result of receiving a rating of record below Fully Successful).

Note: If any of the provisions of title 5, Code of Federal Regulations, listed above are revised during the period this demonstration project is in effect, DVA may choose to terminate the waiver of one or more such provisions with respect to employees participating in the project, without formally modifying the project itself. DVA must notify OPM when any such waiver is terminated.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-57949; File No. 600-23]

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing and Order Approving an Extension of Temporary Registration as a Clearing Agency

June 11, 2008.

The Securities and Exchange Commission ("Commission") is publishing this notice and order to solicit comments from interested persons and to extend the Fixed Income Clearing Corporation's ("FICC") temporary registration as a clearing agency through June 30, 2009.¹

On February 2, 1987, pursuant to Sections 17A(b) and 19(a) of the Act²

and Rule 17Ab2-1 promulgated thereunder,³ the Commission granted the MBS Clearing Corporation ("MBSCC") registration as a clearing agency on a temporary basis for a period of eighteen months.⁴ The Commission subsequently extended MBSCC's registration through June 30, 2003.⁵

On May 24, 1988, pursuant to Sections 17A(b) and 19(a) of the Act⁶ and Rule 17Ab2-1 promulgated thereunder,⁷ the Commission granted the Government Securities Clearing Corporation ("GSCC") registration as a clearing agency on a temporary basis for a period of three years.⁸ The Commission subsequently extended GSCC's registration through June 30, 2003.⁹

On January 1, 2003, MBSCC was merged into GSCC, and GSCC was renamed FICC.¹⁰ The Commission subsequently extended FICC's temporary registration through June 30, 2008.¹¹

On May 28, 2008, FICC requested that the Commission grant FICC permanent registration as a clearing agency or in the alternative extend FICC's temporary registration until such time as the

³ 17 CFR 240.17Ab2-1.

⁴ Securities Exchange Act Release No. 24046 (February 2, 1987), 52 FR 4218.

⁵ Securities Exchange Act Release Nos. 25957 (August 2, 1988), 53 FR 29537; 27079 (July 31, 1989), 54 FR 34212; 28492 (September 28, 1990), 55 FR 41148; 29751 (September 27, 1991), 56 FR 50602; 31750 (January 21, 1993), 58 FR 6424; 33348 (December 15, 1993), 58 FR 68183; 35132 (December 21, 1994), 59 FR 67743; 37372 (June 26, 1996), 61 FR 35281; 38784 (June 27, 1997), 62 FR 36587; 39776 (March 20, 1998), 63 FR 14740; 41211 (March 24, 1999), 64 FR 15854; 42568 (March 23, 2000), 65 FR 16980; 44089 (March 21, 2001), 66 FR 16961; 44831 (September 21, 2001), 66 FR 49728; 45607 (March 20, 2002), 67 FR 14755; 46136 (June 27, 2002), 67 FR 44655.

⁶ *Supra* note 2.

⁷ *Supra* note 3.

⁸ Securities Exchange Act Release No. 25740 (May 24, 1988), 53 FR 19839.

⁹ Securities Exchange Act Release Nos. 25740 (May 24, 1988), 53 FR 19639; 29236 (May 24, 1991), 56 FR 24852; 32385 (June 3, 1993), 58 FR 32405; 35787 (May 31, 1995), 60 FR 30324; 36508 (November 27, 1995), 60 FR 61719; 37983 (November 25, 1996), 61 FR 64183; 38698 (May 30, 1997), 62 FR 30911; 39696 (February 24, 1998), 63 FR 10253; 41104 (February 24, 1999), 64 FR 10510; 41805 (August 27, 1999), 64 FR 48682; 42335 (January 12, 2000), 65 FR 3509; 43089 (July 28, 2000), 65 FR 48032; 43900 (January 29, 2001), 66 FR 8988; 44553 (July 13, 2001), 66 FR 37714; 45164 (December 18, 2001), 66 FR 66957; 46135 (June 27, 2002), 67 FR 44655.

¹⁰ Securities Exchange Act Release No. 47015 (December 17, 2002), 67 FR 78531 (December 24, 2002) [File Nos. SR-GSCC-2002-07 and SR-MBSCC-2002-01].

¹¹ Securities Exchange Act Release Nos. 48116 (July 1, 2003), 68 FR 41031; 49940 (June 29, 2004), 69 FR 40695; 51911 (June 23, 2005), 70 FR 37878; 54056 (June 28, 2006), 71 FR 38193; and 55920 (June 18, 2007), 72 FR 35270.

Commission is prepared to grant FICC permanent registration.¹²

In April, 2006, FICC announced its plan to have its Mortgage-Backed Securities Division ("MBS Division") act as a central counterparty ("CCP").¹³ Pursuant to this service, FICC would act as the CCP for MBS Division members and would become the new legal counterparty to all original parties for eligible mortgage-backed securities transactions. Currently, FICC through its Government Securities Division acts as the CCP for its members U.S. Government securities transactions.

Therefore, the Commission is extending FICC's temporary registration as a clearing agency in order that FICC may continue to operate as a registered clearing agency and to provide its users clearing and settlement services. The Commission will consider permanent registration of FICC at a future date after the Commission has further evaluated FICC's plans to have its MBS Division act as a CCP and after the Commission and FICC have had time to evaluate how FICC is functioning with its MBS Division acting as a CCP, assuming the MBS Division CCP service is implemented.

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number 600-23 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090. All submissions should refer to File Number 600-23. This file number should be included on the subject line if e-mail 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

¹² Letter from Nikki Poulos, Managing Director, General Counsel, and Chief Privacy Officer, FICC (May 28, 2008).

¹³ See FICC White Paper: "A Central Counterparty For Mortgage-Backed Securities: Paving The Way" at <http://www.dtcc.com/downloads/leadership/whitepapers/ccp.pdf>.

¹ FICC is the successor to MBS Clearing Corporation and Government Securities Clearing Corporation.

² 15 U.S.C. 78q-1(b) and 78s(a).

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 inspection and copying in the Commission's Public Reference Section, 100 F Street, NE., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of FICC and on FICC's Web site at www.ficc.com. 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. All submissions should refer to File Number 600-23 and should be submitted on or before July 9, 2008.

It is therefore ordered that FICC's temporary registration as a clearing agency (File No. 600-23) be and hereby is extended through June 30, 2009.

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Florence E. Harmon,

Acting Secretary.

[FR Doc. E8-13704 Filed 6-17-08; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-57952; File No. SR-Amex-2008-44]

Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing of Proposed Rule Change Modifying the Provisions Governing Contacts Between Specialists and Issuers

June 11, 2008.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on May 20, 2008, the American Stock Exchange LLC ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been substantially prepared by the Exchange. The Commission is publishing this notice to solicit comments on the

proposed rule change from interested persons.

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

The Exchange proposes to amend Amex Rule 27 to (i) modify the provisions governing contacts between specialists and issuers or, in the case of exchange traded funds ("ETFs") and structured products, sponsors, and (ii) clarify other procedures applicable to the allocation of securities to specialists.

The text of the proposed rule change is available on the Amex's Web site at <http://www.amex.com>, the Amex's Office of the Secretary, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the Exchange 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. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant parts of such statements.

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

1. Purpose

The purpose of the proposed rule change is to revise Amex Rule 27 in order to better reflect the different treatment that is afforded ETFs and structured products in connection with the allocation of securities to specialists. This is reflected in the fact that ETFs and structured products are typically allocated to a specialist within a few days after approval of the issuer's application for listing on the Exchange. However, in the case of other equity securities, the allocation process may take a longer period of time so that allocation to a specialist may not occur within a few days of approval of the issuer's listing application.

Amex Rule 27 sets forth the procedures and policies pursuant to which the Allocations Committee allocates securities listing on the Exchange to specialists. In particular, paragraph (e) describes the Exchange's "issuer choice" program under which issuers or, in the case of an ETF or structured product, sponsors, select

their specialists from a list of the most qualified specialists prepared by the Allocations Committee and is designed to be read in conjunction with Commentaries .02 and .03 thereto.

Commentaries .02 and .03 contain guidelines for communications between specialists and issuers or, in the case of ETFs and structured products, sponsors that have not yet listed a security on the Exchange and/or have a security that has been approved for listing on the Exchange.³

(i) Commentary .02

Commentary .02 prohibits equity specialists and other members from making direct or indirect contact with an issuer that has requested a listing qualification review⁴ for the purpose of influencing the issuer's choice of a specialist. In addition, any communication between equity specialists and issuers is prohibited once an issuer has been approved for listing and the Allocations Committee has prepared the list of qualified specialists. The exception to such prohibition is Exchange-arranged interviews between an issuer approved for listing and any specialist(s) the issuer requests to interview.

The interviews are closely monitored by the Exchange and the Exchange will take appropriate action in the event an inappropriate communication is deemed by the Exchange to have occurred during the interview. The Exchange proposes to clarify that such appropriate action may include the disqualification of a specialist for the allocation. The proposed rule change will also make Commentary .02 more consistent with Commentary .03, which currently permits the Exchange to disqualify ETF and structured product specialists deemed to have made inappropriate representations.

The Exchange also proposes adding a provision to Commentary .02 addressing post-interview communications between specialists and issuers approved for listing on the Exchange. The proposed rule change would prohibit post-interview contacts between specialists and issuers and provide a means for issuers to obtain further information from the specialists

³ See Securities Exchange Act Release Nos. 44972 (October 23, 2001), 66 FR 55031 (October 31, 2001) (SR-Amex-2001-19); and 45260 (January 9, 2002), 67 FR 2255 (January 16, 2002) (SR-Amex-2001-19).

⁴ The listing qualification review is the process whereby an issuer undergoes review by the Exchange's Listing Qualifications Department. The listing qualification review will commence once the listing application is submitted to the Exchange.

¹⁴ 17 CFR 200.30-3(a)(16).

¹⁵ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.