A mobile device, such as a laptop, may be used for processing SGI provided the device is secured in a locked security storage container when not in use. Where previously not addressed in the old rule, the new rule makes allowance for electronic systems that have been used for storage, processing or production of SGI to migrate to non-SGI exclusive use. Any electronic system that has been used for storage, processing or production of SGI must be free of recoverable SGI prior to being returned to nonexclusive use. However, SGI–M need not be processed on a stand-alone computer. The rule permits SGI–M to be stored, processed or produced on a computer or computer system, provided that the system is assigned to the licensee's or contractor's facility. SGI–M files must be protected, either by a password or encryption. Word processors such as typewriters are not subject to these requirements as long as they do not transmit information offsite.

• *Removal From SGI or SGI–M Category*

When documents or other matter are removed from the SGI category, because the information no longer meets the criteria, care must be exercised to ensure that any document or other matter decontrolled not disclose SGI in some other form or be combined with other unprotected information to disclose SGI. The authority to determine that a document or other matter may be decontrolled will only be exercised by the NRC, with the NRC approval, or in consultation with the individual or organization that made the original SGI determination.

• *Destruction of Matter Containing SGI or SGI–M*

The final rule now states that SGI and SGI–M shall be destroyed when no longer needed. The information can be destroyed by burning, shredding or any other method that precludes reconstruction by means available to the public at large. Of particular note in the new rule it is stated one-quarter inch dimension size for pieces that are considered destroyed when thoroughly mixed with several pages or documents.

The NRC will continue to evaluate its requirements, policies and guidance concerning the protection and unauthorized disclosure of SGI. Licensees, certificate holders, applicants and other persons who produce, receive, or acquire SGI will be informed of proposed revisions or clarifications.

Backfit Discussion

This RIS does not represent a new or different staff position regarding the implementation of 10 CFR 73.21, 10 CFR 73.22 or 10 CFR 73.23. It requires no action or written response. Any action by addressees to implement changes to their safeguards information protection system, or procedures in accordance with the information in this RIS ensures compliance with 10 CFR part 73 and existing orders, is strictly voluntary and therefore, is not a backfit under 10 CFR 50.109, ''Backfitting.'' Consequently, the NRC staff did not perform a backfit analysis.

Federal Register Notification

To be done after the public comments periods.

Congressional Review Act

This RIS is not a rule as designated by the Congressional Review Act (5 U.S.C. 801–886) and therefore, is not subject to the Act.

Paperwork Reduction Act Statement

This RIS does not contain any information collections and, therefore, is not subject to the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*)

Contact

Please direct any questions about this matter to Robert Norman, at 301–415–2278 or by e-mail at *robert.norman@nrc.gov*.

End of Draft Regulatory Issue Summary

Documents may be examined, and/or copied for a fee, at the NRC's Public Document Room at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available records will be accessible electronically from the Agencywide Documents Access and Management System (ADAMS) Public Electronic Reading Room on the Internet at the NRC Web site, *http://www.nrc.gov/NRC/ADAMS/index.html.* If you do not have access to ADAMS or if you have problems in accessing the documents in ADAMS, contact the NRC Public Document Room (PDR) reference staff at 1–800–397–4209 or 301–415–4737 or by e-mail to *pdr@nrc.gov.*

Dated at Rockville, Maryland, this 4th day of March 2009.

For The Nuclear Regulatory Commission,

Martin C. Murphy,

Chief, Generic Communications Branch, Division of Policy and Rulemaking, Office of Nuclear Reactor Regulation.

[FR Doc. E9–5296 Filed 3–11–09; 8:45 am]

BILLING CODE 7590–01–P

SECURITIES AND EXCHANGE COMMISSION

Proposed Collection; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Investor Education and Advocacy, Washington, DC 20549.

Extension:

Rule 489 and Form F–N, SEC File No. 270–361, OMB Control No. 3235–0411.

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (the ''Commission'') is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget for extension and approval:

Rule 489 (17 CFR 230.489) under the Securities Act of 1933 (15 U.S.C. 77a *et seq.*) requires foreign banks and foreign insurance companies and holding companies and finance subsidiaries of foreign banks and foreign insurance companies that are exempted from the definition of ''investment company'' by virtue of Rules 3a–1 (17 CFR 170.3a–1), 3a–5 (17 CFR 270.3a–5), and 3a–6 (17 CFR 270.3a–6) under the Investment Company Act of 1940 (15 U.S.C. 80a–1 *et seq.*) to file Form F–N (17 CFR 239.43), under the Securities Act of 1933 to appoint an agent for service of process when making a public offering of securities in the United States. Approximately 19 entities are required by Rule 489 to file Form F–N, which is estimated to require an average of one hour to complete. The estimated annual burden of complying with the rule's filing requirement is approximately 24 hours, as some of the entities submitted multiple filings.

The estimates of average burden hours are made solely for the purposes of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) and are not derived from a comprehensive or even representative survey or study of the cost of Commission rules and forms.

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Please direct your written comments to Charles Boucher, Director/CIO, Securities and Exchange Commission, C/O Shirley Martinson, 6432 General Green Way, Alexandria, VA 22312; or send an e-mail to: *PRA_Mailbox@sec.gov.*

Dated: March 5, 2009.

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E9–5298 Filed 3–11–09; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–59527; File No. S7–05–09]

Order Granting Temporary Exemptions Under the Securities Exchange Act of 1934 in Connection With Request on Behalf of ICE U.S. Trust LLC Related to Central Clearing of Credit Default Swaps, and Request for Comments

March 6, 2009.

I. Introduction

In response to the recent turmoil in the financial markets, the Securities and Exchange Commission (''Commission'') has taken multiple actions to protect investors and ensure the integrity of the nation's securities markets.[1] Today the Commission is taking further action designed to address concerns related to the market in credit default swaps (''CDS''). The over-the-counter (''OTC'') market for CDS has been a source of concerns to us and other financial regulators. These concerns include the systemic risk posed by CDS, highlighted by the possible inability of parties to meet their obligations as counterparties and the potential resulting adverse effects on other markets and the financial system.[2] Recent credit market events have demonstrated the seriousness of these risks in a CDS market operating without meaningful regulation, transparency,[3] or central counterparties (''CCPs'').[4] These events have emphasized the need for CCPs as mechanisms to help control such risks.[5] A CCP for CDS could be an important step in reducing the counterparty risks inherent in the CDS market, and thereby help mitigate potential systemic impacts. In November 2008, the President's Working Group on Financial Markets stated that the implementation of a CCP for CDS was a top priority[6] and, in furtherance of this recommendation, the Commission, the FRB and the Commodity Futures Trading Commission (''CFTC'') signed a Memorandum of Understanding[7] that establishes a framework for consultation and information sharing on issues related to CCPs for CDS. Given the continued uncertainty in this market, taking action to help foster the prompt development of CCPs, including granting conditional exemptions from certain provisions of the Federal securities laws, is in the public interest.

A CDS is a bilateral contract between two parties, known as counterparties. The value of this financial contract is based on underlying obligations of a single entity or on a particular security or other debt obligation, or an index of several such entities, securities, or obligations. The obligation of a seller under a CDS to make payments under a CDS contract is triggered by a default or other credit event as to such entity or entities or such security or securities. Investors may use CDS for a variety of reasons, including to offset or insure against risk in their fixed-income portfolios, to take positions in bonds or in segments of the debt market as represented by an index, or to capitalize on the volatility in credit spreads during times of economic uncertainty. In recent years, CDS market volumes have rapidly increased.[8] This growth has coincided with a significant rise in the types and number of entities participating in the CDS market.[9]

The Commission's authority over this OTC market for CDS is limited. Specifically, Section 3A of the Securities Exchange Act of 1934 (''Exchange Act'') limits the Commission's authority over swap agreements, as defined in Section 206A of the Gramm-Leach-Bliley Act.[10] For

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[1] A nonexclusive list of the Commission's actions to stabilize financial markets during this credit crisis include: adopting a package of measures to strengthen investor protections against naked short selling, including rules requiring a hard T+3 close-out, eliminating the options market maker exception of Regulation SHO, and expressly targeting fraud in short selling transactions (*See* Securities Exchange Act Release No. 58572 (September 17, 2008), 73 FR 54875 (September 23, 2008)); issuing an emergency order to enhance protections against naked short selling in the securities of primary dealers, Federal National Mortgage Association (''Fannie Mae''), and Federal Home Loan Mortgage Corporation (''Freddie Mac'') (*See* Securities Exchange Act Release No. 58166 (July 15, 2008), 73 FR 42379 (July 21, 2008)); taking temporary emergency action to ban short selling in financial securities (*See* Securities Exchange Act Release No. 58592 (September 18, 2008), 73 FR 55169 (September 24, 2008)); approving emergency rulemaking to ensure disclosure of short positions by hedge funds and other institutional money managers (*See* Securities Exchange Act Release No. 58591A (September 21, 2008), 73 FR 55557 (September 25, 2008)); proposing rules to strengthen the regulation of credit rating agencies and making the limits and purposes of credit ratings clearer to investors (*See* Securities Exchange Act Release No. 57967 (June 16, 2008), 73 FR 36212 (June 25, 2008); entering into a Memorandum of Understanding with the Board of Governors of the Federal Reserve System (''FRB'') to make sure key Federal financial regulators share information and coordinate regulatory activities in important areas of common interest (*See* Memorandum of Understanding Between the U.S. Securities and Exchange Commission and the Board of Governors of the Federal Reserve System Regarding Coordination and Information Sharing in Areas of Common Regulatory and Supervisory Interest (July 7, 2008), *http://www.sec.gov/news/press/2008/2008–134_mou.pdf*).

[2] In addition to the potential systemic risks that CDS pose to financial stability, we are concerned about other potential risks in this market, including operational risks, risks relating to manipulation and fraud, and regulatory arbitrage risks.

[3] *See* Policy Objectives for the OTC Derivatives Market, The President's Working Group on Financial Markets, November 14, 2008, available at *http://www.ustreas.gov/press/releases/reports/policyobjectives.pdf* (''Public reporting of prices, trading volumes and aggregate open interest should be required to increase market transparency for participants and the public.'').

[4] *See* The Role of Credit Derivatives in the U.S. Economy Before the H. Agric. Comm., 110th Cong. (2008) (Statement of Erik Sirri, Director of the Division of Trading and Markets, Commission).

[5] *See id.*

[6] *See* Policy Objectives for the OTC Derivatives Market, The President's Working Group on Financial Markets (November 14, 2008), *http://www.ustreas.gov/press/releases/reports/policyobjectives.pdf. See also* Policy Statement on Financial Market Developments, The President's Working Group on Financial Markets (March 13, 2008), *http://www.treas.gov/press/releases/reports/pwgpolicystatemktturmoil_03122008.pdf*; Progress Update on March Policy Statement on Financial Market Developments, The President's Working Group on Financial Markets (October 2008), *http://www.treas.gov/press/releases/reports/q4progress%20update.pdf.*

[7] *See* Memorandum of Understanding Between the Board of Governors of the Federal Reserve System, the U.S. Commodity Futures Trading Commission and the U.S. Securities and Exchange Commission Regarding Central Counterparties for Credit Default Swaps (November 14, 2008), *http://www.treas.gov/press/releases/reports/finalmou.pdf.*

[8] *See* Semiannual OTC derivatives statistics at end-December 2007, Bank for International Settlements (''BIS''), available at *http://www.bis.org/statistics/otcder/dt1920a.pdf.*

[9] CDS were initially created to meet the demand of banking institutions looking to hedge and diversify the credit risk attendant with their lending activities. However, financial institutions such as insurance companies, pension funds, securities firms, and hedge funds have entered the CDS market.

[10] 15 U.S.C. 78c–1. Section 3A excludes both a non-security-based and a security-based swap agreement from the definition of ''security'' under Section 3(a)(10) of the Exchange Act, 15 U.S.C. 78c(a)(10). Section 206A of the Gramm-Leach-Bliley Act defines a ''swap agreement'' as ''any agreement, contract, or transaction between eligible contract participants (as defined in section 1a(12) of the Commodity Exchange Act * * *) * * * the material terms of which (other than price and quantity) are subject to individual negotiation.'' 15 U.S.C. 78c note.