• Enhance the quality, usefulness, and clarity of the information to be collected; and

• Minimize the burden of collection of information on those who are to respond, including through the use of appropriate automated electronic, mechanical, or other technological collection techniques or other forms of information technology; *e.g.,* permitting electronic submission of responses.

Burden Statement: The respondent burden for this collection is estimated to average .59 hours per response. These estimates include the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; and transmit or otherwise disclose the information.

Respondents/Affected Entities: 147.

Estimated Number of Responses: 2,739.90

Estimated Total Annual Burden on Respondents: 1,624.08. hours

Frequency of Collection: On occasion.

Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, disclose or provide information to or for a federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; and transmit or otherwise disclose the information.

Dated: September 10, 2010.

David A. Stawick,

Secretary of the Commission.

[FR Doc. 2010–23140 Filed 9–15–10; 8:45 am]

BILLING CODE 6351–01–P

COMMODITY FUTURES TRADING COMMISSION

Notice Regarding the Treatment of Petitions Seeking Grandfather Relief for Trading Activity Done in Reliance Upon Section 2(h)(1)–(2) of the Commodity Exchange Act

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice.

SUMMARY: Section 723 of the Dodd-Frank Wall Street Reform and Consumer Protection Act permits persons transacting business in exempt commodities in reliance upon Section 2(h) of the Commodity Exchange Act to petition the Commission for grandfather relief enabling them to continue to rely on Section 2(h) after the effective date of the Dodd-Frank Wall Street Reform and Consumer Protection Act. While persons may submit such grandfather relief petitions in accordance with the procedures provided herein, at this time the Commission has determined that it will not be issuing such relief to persons seeking to continue to rely on Section 2(h)(1)–(2). The Commission is prepared to revisit its decision in the future should it be necessary in order to ensure a smooth transition to the new regulatory regime mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act. Any relief that the Commission determines to grant in the future will not be limited to persons that may file a petition.

DATES: *Effective date:* September 10, 2010 Petitions for relief will be accepted until September 20, 2010. Comments on this notice will be accepted until October 18, 2010.

ADDRESSES: You may submit comments or petitions for relief, identified with "Section 2(h)(1)–(2) Grandfather Relief" in the subject line, by any of the following methods:

• *E-mail for comments: pgfrcomment@cftc.gov.* E-mail for petitions: *pgfrpetition@cftc.gov.*

• *Mail:* David A. Stawick, 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.

All comments must be submitted in English, or if not, accompanied by an English translation. Comments and petitions will be posted as received to *http://www.cftc.gov.*

FOR FURTHER INFORMATION CONTACT: David P. Van Wagner, Chief Counsel, Division of Market Oversight, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW., Washington, DC 20581. Telephone: (202) 418–5481. E-mail: *dvanwagner@cftc.gov;* or Beverly E. Loew, Assistant General Counsel, Office of the General Counsel, same address. Telephone: (202) 418–5648. E-mail: *bloew@cftc.gov.*

SUPPLEMENTARY INFORMATION:

I. Treatment of Petitions for Grandfather Relief Received From Persons Relying Upon Section 2(h)(1)–(2) of the Commodity Exchange Act

On July 21, 2010, President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act").[1] Title VII of the Dodd-Frank Act[2] will amend the Commodity Exchange Act ("CEA")[3] to establish a comprehensive new regulatory framework for swaps and security-based swaps. As part of the revisions to the CEA, the Dodd-Frank Act will delete various provisions from the CEA that were first established by the Commodity Futures Modernization Act of 2000 ("CFMA")[4] to permit the trading of derivative instruments off of regulated markets. Among other such provisions, the Dodd-Frank Act will strike Section 2(h)(1)–(2) (the "Exempt Commodity Exemption") from the CEA, effective July 15, 2011.[5] CEA Section 2(h)(1)–(2) generally provides that bilateral "exempt commodity"[6] transactions entered into between eligible contract participants, as that term is defined by CEA Section 1a(12), are exempt from all of the provisions of the CEA, except for the anti-fraud and anti-manipulation provisions.

Section 723(c)(1) of the Dodd-Frank Act provides that a person who is subject to the Exempt Commodity Exemption may petition the Commission to continue to operate pursuant to Section 2(h)(1)–(2) by submitting a petition to the Commission within 60 days of the enactment of the Dodd-Frank Act (*i.e.,* by September 20, 2010). Section 723(c)(1) further states that the Commission must consider all such petitions in a "prompt manner" and may grant grandfather relief for up to one year. The Dodd-Frank Act does not suggest any standard for the Commission to evaluate grandfather relief petitions from parties seeking to continue their reliance on the Exempt Commodity Exemption.

Ordinarily, a grandfather clause in a regulatory statute relieves or exempts

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[1] *See* Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 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] Pursuant to Section 701 of the Dodd-Frank Act, Title VII may be cited as the "Wall Street Transparency and Accountability Act of 2010."

[3] 7 U.S.C. 1 *et seq.*

[4] *See* Commodity Futures Modernization Act of 2000, Pub. L. 106–554, 114 Stat. 2763 (2000).

[5] *See* Section 723(a)(1)(A) of the Dodd-Frank Act.

[6] Under CEA Section 1a(14), an exempt commodity is defined as a commodity that is neither an excluded nor an agricultural commodity. Generally, the term encompasses energy and metals commodities.

those already involved in an activity or business from the new regulations to be established by the statute because it is anticipated that it may be difficult for the parties to transition the activity or business to the new regulatory scheme.

The Commission is aware of the transformational nature of the Dodd-Frank Act and its potential impact on the swaps industry. The Commission also recognizes that bilateral swaps trading activity currently conducted in reliance upon the CEA's Exempt Commodity Exemption will likely become subject to any number of regulatory provisions implementing the requirements of the Dodd-Frank Act, including business conduct standards, recordkeeping and reporting requirements, and capital and margin requirements.[7] Until the contents and timing of the Commission's regulations affecting bilateral swaps are better known, however, the Commission has determined not to grant grandfather relief as it is impossible to know at this time whether such relief will be necessary.[8]

In implementing the important requirements of the Dodd-Frank Act, the Commission will strive to ensure that current practices will not be unduly disrupted during the transition to the new regulatory regime. Persons relying upon the Exempt Commodity Exemption will have an opportunity to comment on each of the rulemakings that may affect them, which will permit the Commission to consider and adopt appropriate regulatory provisions to address transitioning from the Exempt Commodity Exemption to the Dodd-Frank regulations as they become effective. Additionally, while the Commission has chosen at this time not to grant grandfather relief to parties that rely on the Exempt Commodity Exemption, if it later determines that Dodd-Frank Act-required regulations might pose particular difficulties for such parties that cannot be addressed in final regulations, the Commission is committed to use its available exemptive authorities to address such a situation. Any relief that the Commission determines to grant will not be limited to persons who may wish to file a petition.[9]

II. Related Matters

a. Paperwork Reduction Act

This notice does not impose any recordkeeping or information collection requirements, or other collections of information that require approval of the Office of Management and Budget ("OMB") under the Paperwork Reduction Act ("PRA").[10] Requests for comment that are published in the **Federal Register** in which collections of information are not embedded are excluded from PRA compliance by OMB regulations.[11] Collections of information that may be required as a condition for the grant of grandfather relief for persons relying on the Exempt Commodity Exemption will be addressed at the time such conditions may be imposed.

b. Cost-Benefit Analysis

Section 15(a) of the CEA [12] requires the Commission to consider the costs and benefits of its actions before taking certain actions under the Act. This notice is neither a regulation nor an order to which Section 15(a) applies.

c. Regulatory Flexibility Act

The Regulatory Flexibility Act ("RFA") requires that agencies consider the impact of their rules on small businesses. This notice is not a "rule for which the agency publishes a general notice of proposed rulemaking." [13] Therefore, the Commission is not required to conduct a regulatory flexibility analysis.[14]

[7] *See* Sections 731 and 747 of the Dodd-Frank Act.

[8] In a separate action, the Commission has issued orders providing grandfather relief to parties affected by the Dodd-Frank Act's elimination of the CEA Section 2(h)(3)–(7) exempt commercial market ("ECM") provision and the CEA Section 5d exempt board of trade ("EBOT") provision. In that matter, the Commission foresaw that many entities that currently operate as ECMs or EBOTs will seek to become either swap execution facilities ("SEFs") or designated contract markets ("DCMs") when the Commission adopts regulations implementing Dodd-Frank's requirements for those facilities. Because the new SEF and DCM regulatory provisions are not likely to be completed until close to the same time that the ECM and EBOT provisions are deleted from the CEA, the Commission anticipated that there would be a large number of new SEF and DCM applications at that time. In order to ease this congestion of applications, and to facilitate the transition of current ECM and EBOT businesses to the new regulatory regime mandated by the Dodd-Frank Act, the Commission provided limited grandfather relief to EBOTs and ECMs.

[9] In addition to deleting the CEA Section 2(h)(1)–(2) Exempt Commodity Exemption from the CEA, the Dodd-Frank Act also will delete two other provisions that provide for the exclusion of bilateral swaps from the CEA—Section 2(d)(2) for excluded commodities (mostly financial products) and Section 2(g) for non-agricultural commodities. The Commission notes that the Dodd-Frank Act does not provide for the possibility of any grandfather relief for parties relying on those exclusions, which partially overlap with the Section 2(h)(1)–(2). The Commission also pledges to be attentive to the transition needs of parties that rely on those provisions, as well as Section 2(h)(1)–(2) users, as it considers Dodd-Frank Act-required regulations.

[10] 44 U.S.C. 3501 *et seq.*

[11] 5 CFR 1320.3(h)(4).

[12] 7 U.S.C. 19(a).

[13] 5 U.S.C. 601(2).

[14] *See* 5 U.S.C 603.

Issued in Washington, DC, on September 10, 2010, by the Commission.

David A. Stawick,

Secretary of the Commission.

Concurring Statement of Commissioner Scott D. O'Malia

Regarding the Treatment of Petitions Seeking Grandfather Relief Pursuant to Section 723 of the Dodd-Frank Act for Trading Activity Done in Reliance Upon Section 2(h)(1)–(2)

I concur in the Commission's decision to presently decline to grant relief under Section 723 of the Dodd-Frank Act to persons transacting business in exempt commodities in reliance upon Sections 2(h)(1)–(2) of the Commodity Exchange Act (the "Act"). While the Commission has chosen to decline to grant relief at this time, it is not restricted from using its authority to address and provide relief to such persons in the future. In an effort to proactively ensure the smoothest possible transition of these bilateral markets for transactions in exempt commodities into the new regulatory landscape, it is my hope that the Commission will revisit the issue at least ninety days prior to the Dodd-Frank Act effective date. The Commission remains committed to the efficient functioning of the markets in exempt commodities, and the path that we take in each rulemaking under the Dodd-Frank Act will only be enhanced by the comments we receive. Therefore, I urge all market participants who currently rely on Sections 2(h)(1)–(2) of the Act to help shape the new regulatory frontier by submitting their comments to the Commission.

[FR Doc. 2010–23141 Filed 9–15–10; 8:45 am]

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COMMODITY FUTURES TRADING COMMISSION

Orders Regarding the Treatment of Petitions Seeking Grandfather Relief for Exempt Commercial Markets and Exempt Boards of Trade

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice; final orders.

SUMMARY: The Commission is issuing orders whereby entities currently operating as exempt commercial markets, pursuant to Section 2(h)(3)–(7) of the Commodity Exchange Act, or exempt boards of trade, pursuant to Section 5d of the Commodity Exchange Act, may receive grandfather relief to continue to operate in accordance with those provisions notwithstanding their deletion from the Commodity Exchange Act, effective July 15, 2011, by the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Commission's orders set forth various conditions for such grandfather relief, including the filing of a relief petition