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Dated: April 26, 2012

**Elizabeth M. Murphy,**  
Secretary.

[FR Doc. 2012-10512 Filed 4-26-12; 4:15 pm]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-66853; File No. SR-ICC-2012-02]

### Self-Regulatory Organizations; ICE Clear Credit LLC; Order Approving Proposed Rule Change to Provide for a T+1 Settlement of the Initial Payment Related to the CDS Contracts Cleared by ICE Clear Credit LLC

April 24, 2012.

#### I. Introduction

On March 1, 2012, ICE Clear Credit LLC ("ICC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change SR-ICC-2012-02 pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").<sup>1</sup> The proposed rule change was published for comment in the **Federal Register** on March 12, 2012.<sup>2</sup> The Commission received no comment letters. For the reasons discussed below, the Commission is granting approval of the proposed rule change.

#### II. Description

ICC proposed rule amendments that were intended to modify the terms of each of the various CDS Contracts cleared by ICC (CDX.NA Untranchured Contracts, Standard North American Corporate ("SNAC") Single Name Contracts and Standard Emerging Sovereign ("SES") Single Name Contracts) to make the Initial Payment<sup>3</sup> date the first business day immediately following the trade date, provided that with respect to CDS Contracts that are accepted for clearing after the trade date, the Initial Payment date will be the date that is the first business day following the date when the CDS Contract is accepted for clearing. The Initial Payment under a CDS Contract is established at the time the contract is executed and may be payable from either the protection buyer to the protection seller or vice versa. Under

the current ICC Rules (by way of the incorporated ISDA Credit Derivatives Definitions), and consistent with practice in the market for uncleared credit default swaps, the Initial Payment is required to be made on the third business day following the trade date (the execution date). ICC proposed to add the definition of Initial Payment Date to its Clearing Rules to provide instead that the Initial Payment is to be made on the first business day following the trade date (or, if the transaction is accepted for clearing after the trade date, the Initial Payment is to be made on the first business day following the date of acceptance for clearing). ICC believes that this change from "T+3" settlement to "T+1" settlement for the Initial Payment will facilitate customer-related clearing. In addition, this change will improve margin efficiency (as margin requirements will no longer need to take into account the additional risk from a T+3 as opposed to a T+1 settlement rule).

The other proposed changes in the ICC Rules reflect updates to cross-references and defined terms and similar drafting clarifications, and do not affect the substance of the ICC Rules or cleared products.

#### III. Discussion

Section 19(b)(2)(B) of the Act<sup>4</sup> 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. Section 17A(b)(3)(F) of the Act<sup>5</sup> requires, among other things, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts, and transactions.

Because the proposed rule change will accelerate the Initial Payment date, it will improve margin efficiency (as margin requirements will no longer need to take into account the additional risk from a T+3 as opposed to a T+1 settlement rule) thereby promoting the prompt and accurate clearance and settlement of 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 that the proposal is

consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act<sup>6</sup> and the rules and regulations thereunder.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>7</sup> that the proposed rule change (File No. SR-ICC-2012-02) be, and hereby is, approved.<sup>8</sup>

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

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

[FR Doc. 2012-10307 Filed 4-27-12; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-66856; File No. SR-FICC-2012-02]

### Self-Regulatory Organizations; Fixed Income Clearing Corporation; Order Approving Proposed Rule Change Relating To Remove Functionality in the Government Securities Division's Rules That Is No Longer Utilized by Participants

April 25, 2012.

#### I. Introduction

On February 29, 2012, the Fixed Income Clearing Corporation ("FICC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change SR-FICC-2012-02 pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4<sup>2</sup> thereunder. The proposed rule change was published for comment in the **Federal Register** on March 16, 2012.<sup>3</sup> The Commission received no comment letters on the proposed rule change. This order approves the proposed rule change.

#### II. Description

This rule change revises certain rules of the Government Securities Division ("GSD") to eliminate references to functions or classifications that are either technologically obsolete or no longer utilized by GSD's participants.

<sup>6</sup> 15 U.S.C. 78q-1.

<sup>7</sup> 15 U.S.C. 78s(b)(2).

<sup>8</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>9</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>3</sup> Securities Exchange Act Release No. 15822 (March 12, 2012), 77 FR 15822 (March 16, 2012).

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

<sup>2</sup> Securities Exchange Act Release No. 34-66517 (March 6, 2012), 77 FR 14578 (March 12, 2012).

<sup>3</sup> The Initial Payment is an obligation by either counterparty to make an upfront payment established at the time the contract is executed. See ICE Clear Credit Clearing Rules, Section 301(b).

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

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

### 1. "Non-Conversion Participants"/ "Conversion Participants"

When first implemented, the DVP System required all participants that submitted when issued trades to resubmit those trades with final money calculations on the night of Auction Date, after the Treasury auction results were announced. Subsequent to the initial implementation, enhancements were incorporated such that the DVP System recalculated trades (repriced) based on auction results. FICC also incorporated an option whereby participants could decide if they wanted to resubmit their trades (participants who elected this option were known as "Non-Conversion Participants") or take FICC's repricing notification (participants who elected this option were known as "Conversion Participants"). With the implementation of Interactive Messaging in 2000, the few remaining Non-Conversion Participants agreed to take FICC's calculations, rather than resubmit their trades to FICC. As such, FICC proposed to remove references in the rules to Non-Conversion Participants. Given that all participants who submit when-issued transactions for matching/netting are subject to accepting FICC's calculations for their trades based on Treasury auction results, the proposed rule changes replace references to "Conversion Participants" with "Participants."

### 2. Auction Priority Delivery Requests and Customer Delivery Requests ("CDR"s)

Auction Priority Delivery Requests, also known as CDRs, were originally built for FICC's batch file transfer, which was the initial proprietary method that participants used to submit trade activity to FICC. This functionality allowed the dealer to instruct FICC to withhold certain auction trades from the net to ensure that a priority client received its auction allotment so the trade could not be netted out during FICC's end of day netting process. However, when Interactive Messaging was implemented in 2000, this instruction type was not supported as it was no longer used. As a result, FICC proposed to remove references in the rules to Auction Priority Delivery Requests and CDRs.

### 3. Repo Substitution Criteria

FICC initially provided optional fields for Repo Substitution Criteria for trade submissions. However, over the years, participants generally have not used these fields. Because the fields were provided as an informational courtesy

that has not been used by participants, FICC is deleting references to those fields in its rules.

In addition to the above-referenced changes, FICC proposed to make the following additional technical corrections to the GSD rules:

- Terminal interfaces and video display terminals are currently referenced in the rules. The terminals became obsolete when FICC replaced them with a web browser interface. Because the terminals are no longer in existence, FICC proposed to remove references to these methods from the GSD rules.
- Currently, the "Schedule of Required and Other Data Submission Items from GCF Repo Transactions" refers to "Reverse dealer Exec. Id" and a "Repo dealer Exec Id." When FICC began using the GSD RTTM web format, these fields were eliminated because they did not have any significance for GCF repo trades. As a result, FICC proposed to remove these references from the rules.

### III. Discussion

Section 19(b)(2)(B) of the Act<sup>4</sup> 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. Section 17A(b)(3)(F) of the Act requires that the rules of a registered clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions.<sup>5</sup> The proposed rule change clarifies GSD's rules by removing references to functions or classifications that are either technologically obsolete or no longer utilized by GSD's participants. The Commission believes that these clarifications will promote the prompt and accurate clearance and settlement of securities transactions for which FICC is responsible by ensuring that GSD's rules describe only functions and classifications that are actually offered by GSD.

### IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act<sup>6</sup> and the rules and regulations thereunder.

*It is therefore ordered*, pursuant to Section 19(b)(2)<sup>7</sup> of the Act, that the proposed rule change (File No. SR-FICC-2012-02) be, and hereby is, approved.<sup>8</sup>

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. 2012-10308 Filed 4-27-12; 8:45 am]

**BILLING CODE 8011-01-P**

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## DEPARTMENT OF TRANSPORTATION

### Office of the Secretary

#### Semi-Annual Workforce Management Conference

**AGENCY:** U.S. Department of Transportation, Office of the Secretary of Transportation.

**ACTION:** Notice of Conference.

**SUMMARY:** The Department of Transportation, Office of the Secretary, announces the second Semi-Annual Workforce Management Conference. The Conference will be hosted by the Secretary of Transportation, Ray LaHood. It will be held in Washington, DC. This conference was recommended by the former Future of Aviation Advisory Committee (FAAC).

**DATES:** The Conference will be held June 21, 2012, from 9:00 a.m. to 12:30 p.m. (EDT).

**ADDRESSES:** The Conference will be held at the Department of Transportation, 1200 New Jersey Avenue SE., Washington, DC 20590, in the atrium on the ground floor of the West Building located across the street from the Navy Yard (Green Line) Metro station.

**Public Access:** Members of the public and members of the aviation community are invited to attend. Pre-registration is required of all attendees. (See below for registration instructions)

**SUPPLEMENTARY INFORMATION:** The agenda will include aviation workforce development issues that focus on the need for a future workforce with solid foundations in the STEM disciplines, best practices for addressing labor/management issues, and safety.

#### Registration

- Space is limited. Registration will be available on a first-come, first-serve

<sup>7</sup> 15 U.S.C. 78s(b)(2).

<sup>8</sup> In approving this proposed rule change the Commission has considered the proposed rule's impact of efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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

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

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

<sup>6</sup> 15 U.S.C. 78q-1.