operations descending below 1,500 feet above the surface, and IFR departure operations below 1,200 feet above the surface.

This proposal would also remove reference to the Maui VORTAC from the airspace legal descriptions for the Class E3 airspace area designated as an extension to the Class C surface area, and the Class E5 airspace area extending upward from 700 feet above the surface. Changes to the available instrument flight procedures since the last review, advances in GPS mapping accuracy, and a reliance on precise geographic coordinates to define airport and airspace reference points have made the proposed airspace redesign necessary for the safety and management of Instrument Flight Rules (IFR) operations.

Class E airspace designations are published in paragraphs 6003, and 6005, respectively, of FAA Order 7400.9Z, dated August 6, 2015, and effective September 15, 2015, which is incorporated by reference in 14 CFR 71.1. The Class E airspace designations listed in this document will be published subsequently in the Order.

Regulatory Notices and Analyses

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current, is non-controversial and unlikely to result in adverse or negative comments. It, therefore: (1) Is not a ''significant regulatory action'' under Executive Order 12866; (2) is not a ''significant rule'' under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule, when promulgated, would not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

Environmental Review

This proposal will be subject to an environmental analysis in accordance with FAA Order 1050.1F, ''Environmental Impacts: Policies and Procedures'' prior to any FAA final regulatory action.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

The Proposed Amendment

Accordingly, pursuant to the authority delegated to me, the Federal Aviation Administration proposes to amend 14 CFR part 71 as follows:

PART 71—DESIGNATION OF CLASS A, B, C, D, AND E AIRSPACE AREAS; AIR TRAFFIC SERVICE ROUTES; AND REPORTING POINTS

■ 1. The authority citation for 14 CFR part 71 continues to read as follows:

Authority: 49 U.S.C. 106(f), 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389.

§ 71.1 [Amended]

■ 2. The incorporation by reference in 14 CFR 71.1 of FAA Order 7400.9Z, Airspace Designations and Reporting Points, dated August 6, 2015, and effective September 15, 2015, is amended as follows:

Paragraph 6003 Class E Airspace Areas Designated as an Extension to a Class C Surface Area.

* * * * *

AWP HI E3 Kahului, HI [Modified]

Kahului Airport, HI
(Lat. 20°53′55″ N., long. 156°25′50″ W.)

That airspace extending upward from the surface within 3 miles each side of the Kahului Airport 203° bearing extending from the 5-mile radius of the airport to 7 miles southwest of the airport. This Class E airspace area is effective during the specific dates and times established in advance by a Notice to Airmen. The effective date and time will thereafter be continuously published in the Pacific Chart Supplement.

Paragraph 6005 Class E Airspace Areas Extending Upward From 700 Feet or More Above the Surface of the Earth.

* * * * *

AWP HI E5 Kahului, HI [Modified]

Kahului Airport, HI
(Lat. 20°53′55″ N., long. 156°25′50″ W.)

That airspace extending upward from 700 feet above the surface within a 5-mile radius of Kahului Airport, and within 3.6 miles each side of the airport 038° bearing extending from the 5-mile radius of the airport to 11.7 miles northeast of the airport, and within 2 miles each side of the airport 065° bearing extending from the 5-mile radius of the airport to 10 miles northeast of the airport, and within 3 miles each side of the airport 203° bearing extending from the 5-mile radius of the airport to 10.3 miles southwest of the airport, and within the area bounded by the airport 318° bearing clockwise to the airport 013° bearing extending from the 5-mile radius of the airport to 8.5-miles northeast of the airport, excluding that airspace beyond 12 miles from the coast.

Issued in Seattle, Washington, on August 1, 2016.

Tracey Johnson,

Manager, Operations Support Group, Western Service Center.

[FR Doc. 2016–19004 Filed 8–11–16; 8:45 am]

BILLING CODE 4910–13–P

COMMODITY FUTURES TRADING COMMISSION

17 CFR Part 3

RIN 3038–AE49

Chief Compliance Officer Annual Report Requirements for Futures Commission Merchants, Swap Dealers, and Major Swap Participants; Amendments to Filing Dates

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Commodity Futures Trading Commission (''Commission'' or ''CFTC'') is proposing to amend certain provisions of its regulations concerning Chief Compliance Officers (''Proposal''). The regulation that is the subject of the Proposal addresses chief compliance officers (''CCOs'') of futures commission merchants (''FCMs''), swap dealers (''SDs''), and major swap participants (''MSPs'') (collectively, ''Registrants''). The proposed amendments would: Codify existing no-action relief regarding the timing of when a Registrant must furnish its CCO annual report to the Commission; clarify filing requirements for Registrants located in a jurisdiction for which the Commission has issued a comparability determination; and delegate to the Director of the Division of Swap Dealer and Intermediary Oversight (''DSIO'') authority to grant extensions to the CCO annual report filing deadline.

DATES: Comments must be received on or before September 12, 2016.

ADDRESSES: You may submit comments, identified by RIN 3038–AE49, by any of the following methods:

- *CFTC Web site: http://comments.cftc.gov.* Follow the instructions for submitting comments through the Comments Online process on the Web site.
- *Mail:* Send to 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.

• *Federal eRulemaking Portal: http://www.regulations.gov.* Follow the instructions for submitting comments.

Please submit your comments using only one of these methods.

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 is exempt from disclosure under the Freedom of Information Act (''FOIA''),[1] a petition for confidential treatment of the exempt information may be submitted according to the procedures set forth in § 145.9 of the Commission's regulations.[2]

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 *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 FOIA.

FOR FURTHER INFORMATION CONTACT: Eileen Flaherty, Director, 202–418–5326, *eflaherty@cftc.gov;* Erik Remmler, Deputy Director, 202–418–7630, *eremmler@cftc.gov;* Laura Gardy, Associate Director, 202–418–7645, *lgardy@cftc.gov;* or Pamela M. Geraghty, Special Counsel, 202–418–5634, *pgeraghty@cftc.gov,* Division of Swap Dealer and Intermediary Oversight, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street NW., Washington, DC 20581.

SUPPLEMENTARY INFORMATION:

I. Background

A. Commission Requirements for Submission of CCO Annual Reports

Section 4s(k)(3) of the Commodity Exchange Act (''CEA'') requires CCOs for SDs and MSPs, in accordance with rules prescribed by the Commission, to prepare and sign an annual report (''CCO Annual Report'') describing, among other things, the SD's or MSP's compliance with the CEA and CFTC regulations.[3] CEA section 4s(k)(3)(B) requires the CCO Annual Report to accompany each appropriate financial report of the SD or MSP required to be furnished to the Commission.[4] CEA section 4d(d) requires CCOs of FCMs to ''perform such duties and responsibilities'' as are established by Commission regulation or rules of a registered futures association.[5]

Regulations 3.3(e) and (f) codify the duty to prepare and furnish to the Commission a CCO Annual Report for all Registrants.[6] Regulation 3.3(e) requires the CCO Annual Report to cover the most recently completed fiscal year of the Registrant and specifies certain reporting elements for Registrants in describing their compliance with the CEA and Commission regulations. Regulation 3.3(f)(1) requires the furnishing of the CCO Annual Report to the board or senior officer prior to its submission to the Commission. Regulation 3.3(f)(2) currently requires the CCO Annual Report to be furnished to the Commission electronically not more than 60 days after a Registrant's fiscal year-end.

B. Regulation 3.3(f)(2) Implementation Experience

Since the adoption of the 60-day filing requirement, DSIO has continuously provided no-action relief for CCO Annual Reports submitted to the Commission within 90 days of a Registrant's fiscal year-end.[7] The no-action letter currently in effect, CFTC Staff Letter No. 15–15, responds to a request for relief on behalf of FCM and SD firms, which stated that having an additional 30 days to file the CCO Annual Report allows each Registrant to conduct a more substantive and complete review of its compliance program.[8]

Recently, the U.S. Securities and Exchange Commission (''SEC'') adopted final rules corresponding to Regulation 3.3, and implementing a provision of Title VII of the Dodd-Frank Act the text of which is effectively identical to CEA section 4s(k)(3)(B).[9] The SEC's corresponding rule requires that the equivalent chief compliance officer annual report for security-based swap dealers and major security-based swap participants be submitted to the SEC within 30 days following the deadline for filing each entity's annual financial report.[10]

C. Application of Regulation 3.3(f)(2) to Entities Located in Certain Non-U.S. Jurisdictions

In December 2013, the Commission issued comparability determinations deeming an SD or MSP located in Canada, the European Union, Hong Kong, Japan, or Switzerland (''Substituted Compliance Registrants'') to be in compliance with Regulation 3.3(e) if it complies with the applicable corresponding regulation in its home jurisdiction.[11] Specifically, a Substituted Compliance Registrant may elect to furnish the Commission with the comparable annual reporting information (hereinafter, ''Comparable Annual Report'') specified under the standards of its home jurisdiction. However, the Commission did not provide a comparability determination with respect to Regulation 3.3(f) regarding the timing of when the

[1] 5 U.S.C. 552.

[2] 17 CFR 145.9. The Commission's regulations are found at 17 CFR Chapter I and can be accessed through the Commission's Web site at *www.cftc.gov.*

[3] 7 U.S.C. 6s(k)(3)(A)(i). The CEA can be accessed through the Commission's Web site.

[4] 7 U.S.C. 6s(k)(3)(B)(i).

[5] 7 U.S.C. 6d(d).

[6] 17 CFR 3.3(e) and (f).

[7] *See* CFTC Letter No. 13–84, Time-Limited No-Action Relief for Futures Commission Merchants, Swap Dealers, and Major Swap Participants from Compliance with the Timing Requirements of Commission Regulation 3.3(f)(2) Relating to Annual Reports by Chief Compliance Officers (Dec. 30, 2013), *available at: http://www.cftc.gov/idc/groups/public/@lrlettergeneral/documents/letter/13-84.pdf;* CFTC Letter No. 14–154, Time-Limited No-Action Relief for Futures Commission Merchants, Swap Dealers, and Major Swap Participants from Compliance with the Timing Requirements of Commission Regulation 3.3(f)(2) Relating to Annual Reports by Chief Compliance Officers (Dec. 22, 2014), *available at: http://www.cftc.gov/idc/groups/public/@lrlettergeneral/documents/letter/14-154.pdf;* and CFTC Letter No. 15–15, No-Action Relief for Futures Commission Merchants, Swap Dealers, and Major Swap Participants from Compliance with the Timing Requirements of Commission Regulation 3.3(f)(2) Relating to Annual Reports by Chief Compliance Officers (Mar. 27, 2015), *available at: http://www.cftc.gov/idc/groups/public/@lrlettergeneral/documents/letter/15-15.pdf* (''CFTC Staff Letter No. 15–15'').

[8] FIA and ISDA Letter, Request for no-action relief concerning certain requirements of CFTC Rule 3.3 relating to the timing of the Annual Report (Mar. 10, 2015) (on file with the CFTC, available for inspection and copying).

[9] Business Conduct Standards for Security-Based Swap Dealers and Major Security-Based Swap Participants, 81 FR 29959 (May 13, 2016).

[10] *See id.* at 30150.

[11] *See* Comparability Determination for Canada: Certain Entity-Level Requirements, 78 FR 78839, 78843 (Dec. 27, 2013); Comparability Determination for the European Union: Certain Entity-Level Requirements, 78 FR 78923, 78928 (Dec. 27, 2013); Comparability Determination for Hong Kong: Certain Entity-Level Requirements, 78 FR 78852, 78856 (Dec. 27, 2013); Comparability Determination for Japan: Certain Entity-Level Requirements, 78 FR 78910, 78915 (Dec. 27, 2013); Comparability Determination for Switzerland: Certain Entity-Level Requirements, 78 FR 78899, 78903 (Dec. 27, 2013). It should be noted that while Australia was granted a determination of comparability for some entity-level requirements, it was not granted a determination of comparability with respect to the requirements of Regulation 3.3(e). *See* Comparability Determination for Australia: Certain Entity-Level Requirements, 78 FR 78864, 78869 (Dec. 27, 2013).

Comparable Annual Report must be furnished to the CFTC.[12]

II. The Proposal

A Proposed Amendments to Regulation 3.3(f)(2)

The Commission is proposing to codify the current no-action relief by amending Regulation 3.3(f)(2). The amendments would permit an FCM to furnish its CCO Annual Report to the Commission not more than 30 days after submission of the Form 1–FR–FCM [13] or Financial Operational Combined Uniform Single Report (''FOCUS Report''). The Proposal would also permit an SD or MSP to furnish its CCO Annual Report to the Commission not more than 90 days after its fiscal year-end until such time as the Commission adopts and implements rules establishing the time for filing the annual financial condition report required under CEA section 4s(f). The Commission has proposed, but not yet adopted, a financial condition report requirement comprised of an annual audited financial report for SDs and MSPs.[14] Once the Commission adopts and implements a financial condition report rule, like FCMs, an SD or MSP will have up to 30 days after the submission of its annual financial condition report to submit the CCO Annual Report to the Commission.

Regulation 3.3(e) requires a broad and detailed assessment of each Registrant's compliance program over the preceding year as well as a discussion of planned changes and remedial steps to be taken for non-compliance matters. The Commission believes that providing up to 30 days after a Registrant's applicable financial reports are due would provide Registrants an appropriate amount of time to complete the in-depth review and analyses required by Regulation 3.3(e). As a policy matter, the Commission recognizes that the periodic self-evaluation that underlies each CCO Annual Report is a critical step in promoting an active and robust compliance culture within firms.

In codifying the relief provided in CFTC Staff Letter No. 15–15, the Commission is clarifying that the statutory requirement for an SD or MSP's CCO Annual Report to ''accompany each appropriate financial report'' allows for the CCO Annual Report to be furnished to the Commission not more than 30 days after the submission of a Registrant's annual financial report.[15] The Commission recognizes the separate and distinct nature and purposes of the two reports, and believes that allowing Registrants to submit their CCO Annual Reports not more than 30 days after their financial reports are due satisfies the statutory requirement that the CCO Annual Report ''accompany'' the other financial report. This is also consistent with the SEC's approach in its corresponding rule for delivery of chief compliance officer annual reports by security-based swap dealers and major security-based swap participants.[16]

B. Registrants Located in Substituted Compliance Jurisdictions

The Commission is also proposing to amend Regulation 3.3(f) to address the timing of the filing requirement for Comparable Annual Reports. If the requirements of the Substituted Compliance Registrant's home jurisdiction identify a specific date by which the Comparable Annual Reports must be completed, then the Commission is proposing that Comparable Annual Reports may be furnished to the Commission electronically up to 15 days after the date on which the Comparable Annual Report must be completed.[17] The additional 15 days would allow time for translation of the report text into English. If the Substituted Compliance Registrant's home jurisdiction does not establish a specifically identifiable completion date, then the Substituted Compliance Registrant must comply with the standard time frames provided in Regulation 3.3(f), as amended. A specifically identifiable completion date would be a date that can be clearly identified such as a specific calendar date or a set number of days after the Substituted Compliance Registrant's fiscal year-end. A home jurisdiction requirement to complete the Comparable Annual Report only if some event occurs or upon request, or which does not specify a deadline, is not considered comparable to the Commission's annual delivery requirement.

C. Proposed Amendments Regarding a Delegation From the Commission to the Division

Pursuant to Regulation 3.3(f)(5), Registrants may request from the Commission an extension of time to furnish their CCO Annual Reports if the failure to timely furnish the report could not be avoided absent ''unreasonable effort or expense.'' The rule provides the Commission with discretion in granting such extensions. To expedite review and consideration of requests for extensions, the Commission is proposing to delegate to the Director of DSIO, or such other employee(s) that the Director may designate, the authority to grant extensions of time subject to the same standard set forth in Regulation 3.3(f)(5). The Commission notes that the exercise of such delegated authority would need to be consistent with Regulation 3.3(f)(5) and therefore would be limited to unique facts and circumstances that clearly demonstrate that the inability to timely furnish the report to the Commission could not have been eliminated absent unreasonable effort or expense. The Commission believes that such delegation is prudent given that the decision to provide an extension requires consideration of specific facts and circumstances and often this consideration needs to occur within a relatively short period of time. As is the case with existing delegations to staff, the Commission would continue to reserve the right to perform the functions described in Regulation 3.3(f)(5) itself at any time.[18]

The Commission requests comment on the appropriateness of the proposed delegation and whether additional procedural detail is necessary.

D. Request for Comment

The Commission seeks comments regarding the following matters:

- Given the current filing requirements for the Form 1–FR–FCM and FOCUS Reports, and the anticipated

[12] *See* note 11, *supra.*

[13] The proposed amendment also makes a technical correction in Regulation 3.3(f)(2) by correcting the cross reference to the Commission regulation that requires the filing of Form 1–FR–FCM to Regulation 1.10(b)(1)(ii).

[14] *See* Capital Requirements of Swap Dealers and Major Swap Participants, 76 FR 27802, 27838 (proposed May 12, 2011).

[15] The Proposal would remove the obligation of Registrants to file their CCO Annual Reports ''simultaneously'' with the applicable FCM financial report or financial condition report.

[16] In the adopting release, the SEC addresses the statutory language that links the filing of the CCO Annual Report with the filing of appropriate financial reports by stating, ''The Commission is interpreting 'accompany' in Section 15F(k)(3)(B)(i) to mean follow within 30 days.'' 81 FR 29959, 30059, n.1238.

[17] While each of the jurisdictions that have been granted a comparability determination with respect to Regulation 3.3(e) requires Substituted Compliance Registrants to produce and complete comparable annual reporting information, there is variation among the foreign jurisdictions as to whether and/or when a Comparable Annual Report must be furnished to the home regulator. Therefore, the Commission is using the date on which the Comparable Annual Report must be completed as the benchmark for determining when the Comparable Annual Report must be furnished to the Commission.

[18] In addition, notwithstanding any such delegation, in any case in which a Commission employee delegated authority under this section believes it is appropriate, the employee may submit the question to the Commission for its consideration.

filing requirements for the financial condition report, is it appropriate to permit FCMs, SDs, and MSPs an additional 30-days to furnish their CCO Annual Report to the Commission? Are there any practical or policy reasons for not permitting the additional 30 days?

- Does codifying the relief granted in CFTC Staff Letter No. 15–15 sufficiently address Registrants' concerns?
- Should the Commission provide any further clarification of the requirements of Regulation 3.3(f) as they apply to entities located in jurisdictions for which comparability determinations have been issued?

III. Related Matters

A. Regulatory Flexibility Act

The Regulatory Flexibility Act [19] (''RFA'') requires that agencies consider whether the rules they propose will have a significant economic impact on a substantial number of small entities and, if so, provide a regulatory flexibility analysis reflecting the impact. Section 3.3(f)(2), as proposed, amends the filing deadline for CCO Annual Reports of FCMs, SDs, and MSPs and clarifies the filing deadline for Comparable Annual Reports. The proposed amendments would affect FCMs, SDs, and MSPs that are required to be registered with the Commission. The Commission has previously established certain definitions of ''small entities'' to be used in evaluating the impact of its regulations on small entities in accordance with the RFA, and has previously determined that FCMs, SDs, and MSPs are not small entities for purposes of the RFA.[20] Therefore, the Commission believes that the amendments to Regulation 3.3 would not have a significant economic impact on a substantial number of small entities. Accordingly, the Chairman, on behalf of the Commission, hereby certifies, pursuant to 5 U.S.C. 605(b), that the proposed amendments will not have a significant economic impact on a substantial number of small entities.

B. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (''PRA'') [21] provides that a federal agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number issued by the Office of Management and Budget (''OMB''). The collection of information related to this proposed rule is OMB control number 3038–0080—Annual Report for Chief Compliance Officer of Registrants. The Commission believes that this proposed rule will not impose any new information collection requirements that require approval of OMB under the PRA. As a general matter, the proposed rule would allow Registrants up to 90 days after the end of their fiscal years, and certain Substituted Compliance Registrants with up to 15 days after the date on which the Comparable Annual Report must be completed under the requirements of their home jurisdiction, to file the CCO Annual Report and Comparable Annual Reports, respectively. As such, this proposed rule does not, by itself, impose any new burden or any new information collection requirements in addition to those that already exist in connection with the preparation and delivery of the CCO Annual Report pursuant to part 3 of the Commission's regulations.

C. Cost-Benefit Considerations

1. Background

As discussed above, the Commission is proposing amendments to the filing requirements for CCO Annual Reports in Regulation 3.3 that would: (1) Increase the amount of time registrants have to file their CCO Annual Reports with the Commission; and (2) clarify the filing requirements for Comparable Annual Reports. The baseline for this cost and benefit consideration is existing Regulation 3.3. Although CFTC Staff Letter No. 15–15, as discussed above, currently offers no-action relief that is substantially similar to the relief that the proposed amendments would grant Registrants, as a no-action letter, it only represents the position of the issuing Division or Office and cannot bind the Commission or other Commission staff.[22] Consequently, the Commission believes that CFTC Staff Letter No. 15–15 should not set or affect the baseline against which the Commission considers the costs and benefits of the proposal.

2. Costs

The Commission received no comments during the rulemaking process for Regulation 3.3 regarding costs associated with the timing of the filing deadline for the CCO Annual Report. The proposed amendment does not change the report contents or require any additional actions to be taken by Registrants. The additional 30 days (or up to 15 days after the date on which a Comparable Annual Report must be completed under applicable home jurisdiction standards that allow more time) provided by the proposal lengthens the time before senior management or the board of the Registrants and the Commission may receive the CCO Annual Reports. The additional time to furnish the reports should not materially impact regulatory oversight given that the purpose of the reports is to provide a status update for the Registrant's compliance activities over the course of the preceding fiscal year and planned changes for the coming year. The reports generally do not serve to address crisis situations for which immediacy is critical. Therefore, the additional time allowed will not materially impact the usefulness of the information in the reports.[23] The Commission has no other information available to it that would indicate that changing the filing deadline would measurably change the cost to prepare the CCO Annual Reports. Accordingly, the Commission preliminarily believes that the proposal would not impose any additional costs on any other market participants, the markets themselves, or the general public. The Commission invites comment regarding the nature of, and the extent to which, costs associated with the CCO Annual Reports could change as a result of the adoption of the proposal and, to the extent they can be quantified, monetary and other numerical estimates thereof.

3. Benefits

The Commission believes that the proposal would provide relief for Registrants from time pressures in preparing and filing their CCO Annual Reports. The additional time provided will allow Registrants to more carefully complete their internal processes used to develop the broad variety of information needed for the reports resulting in more accurate and complete reports. The Commission invites comment regarding the nature and extent of these and any other benefits that could result from adoption of the proposal—including benefits to other market participants, the market itself, or the general public—and, to the extent they can be quantified, monetary and other numerical estimates thereof.

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[19] 5 U.S.C. 601 *et seq.*

[20] *See* Policy Statement and Establishment of Definitions of ''Small Entities'' for Purposes of the Regulatory Flexibility Act, 47 FR 18618, 18619 (Apr. 30, 1982) (FCMs); Further Definition of ''Swap Dealer,'' ''Security-Based Swap Dealer,'' ''Major Swap Participant,'' ''Major Security-Based Swap Participant'' and ''Eligible Contract Participant,'' 77 FR 30596, 30701 (May 23, 2012) (SDs and MSPs).

[21] 44 U.S.C. 3501 *et seq.*

[22] *See* 17 CFR 140.99(a)(2). *See also* CFTC Staff Letter No. 15–15 at 4.

[23] The CCO Annual Report must contain a description of material non-compliance events that occurred over the review period. However, reporting on those events in the CCO Annual Report provides transparency regarding the effectiveness of the implementation of the compliance program over the preceding year for management and the CFTC.

4. Section 15(a) Factors

Section 15(a) of the CEA requires the Commission to consider the costs and benefits of its actions before promulgating a regulation under the CEA or issuing certain orders.[24] Section 15(a) further specifies that the costs and benefits shall be evaluated in light of five broad areas of market and public concern: (1) Protection of market participants and the public; (2) efficiency, competitiveness, and financial integrity of futures markets; (3) price discovery; (4) sound risk management practices; and (5) other public interest considerations. The Commission considers the costs and benefits resulting from its discretionary determinations with respect to the section 15(a) factors.

a. Protection of Market Participants and the Public

The Commission recognizes that there are trade-offs between reducing regulatory burdens and ensuring that the Commission has sufficient, timely information to fulfill its regulatory mission. The proposed amendments to Regulation 3.3 are intended to reduce some of the regulatory burdens on Registrants. While the amendment will delay the time by which the Commission will receive the CCO Annual Reports, the delay is relatively short given that the information in the reports looks back over the entire year-long reporting period and identifies planned improvements for the coming year. Accordingly, the Commission preliminarily believes that the short delay will not affect the protection of market participants and the public.

b. Efficiency, Competitiveness, and Financial Integrity of Markets

The Commission believes that the proposed amendments to Regulation 3.3 could improve allocational efficiency for participants in the market by reducing the burden of preparing the CCO Annual Report in a shorter time-frame, thereby allowing them to allocate compliance resources more efficiently over the report preparation period. The Commission preliminarily believes that the proposed amendments to Regulation 3.3 will not have any market efficiency, competitiveness, or market integrity impacts because the reports address internal compliance programs of each Registrant and are not publicly available.

c. Price Discovery

The Commission preliminarily believes that the proposed amendments to Regulation 3.3 would not impact on price discovery. Given the fact that the proposed amendments affect only the timing of when the CCO Annual Reports are filed with the Commission and the CCO Annual Reports generally would not contain trade information or be available to the public, the proposed amendments would not affect price discovery.

d. Sound Risk Management Practices

The Commission preliminarily believes that the proposed amendments would not have a meaningful effect on the risk management practices of Registrants. While the CCO Annual Reports may discuss certain risk management aspects related to the compliance programs of the Registrants, the proposal would only amend the timing of delivery of the reports to the Commission, not the contents of the reports. As described above under subsection 4.a, the short delay in delivery of the reports provided for by the proposal is not significant given the nature of the information included in the report and allowing additional time to prepare the CCO Annual Reports might allow the Registrants to prepare better reports that more effectively address the information contained therein.

e. Other Public Interest Considerations

The Commission has not identified any other public interest considerations for this rulemaking.

5. Request for Comment

The Commission invites comment on all aspects of its preliminary consideration of the costs and benefits associated with the proposal and the five factors the Commission is required to consider under CEA section 15(a). In addressing these areas and any other aspect of the Commission's preliminary cost-benefit considerations, the Commission encourages commenters to submit any data or other information they may have quantifying and/or qualifying the costs and benefits of the proposal.

List of Subjects in 17 CFR Part 3

Administrative practice and procedure, Brokers, Commodity futures, Major swap participants, Reporting and recordkeeping requirements, Swap dealers.

For the reasons stated in the preamble, the Commodity Futures Trading Commission proposes to amend 17 CFR part 3 as follows:

PART 3—REGISTRATION

■ 1. The authority citation for part 3 is revised to read as follows:

Authority: 5 U.S.C. 552, 552b; 7 U.S.C. 1a, 2, 6a, 6b, 6b–1, 6c, 6d, 6e, 6f, 6g, 6h, 6*i,* 6k, 6m, 6n, 6*o,* 6p, 6s, 8, 9, 9a, 12, 12a, 13b, 13c, 16a, 18, 19, 21, 23, as amended by Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. 111–203, 124 Stat. 1376 (Jul. 21, 2010).

■ 2. Amend § 3.3 as follows:
■ a. Revise paragraph (f)(2); and
■ b. Add paragraph (h).

The revision and addition to read as follows:

§ 3.3 Chief compliance officer.

* * * * *

(f) * * *

(2)(i) Except as provided in paragraph (f)(2)(ii) of this section, the annual report shall be furnished electronically to the Commission not more than 30 days after the submission of Form 1–FR–FCM, as required under § 1.10(b)(1)(ii) of this chapter, the Financial and Operational Combined Uniform Single Report, as required under § 1.10(h) of this chapter, or the financial condition report, as required under section 4s(f) of the Act, as applicable. Until such time as the Commission adopts and implements a regulation establishing the time for filing the financial condition report, a swap dealer or major swap participant shall furnish the annual report electronically to the Commission not more than 90 days after the end of its fiscal year.

(ii) The annual report of a swap dealer or major swap participant that is eligible to comply with a substituted compliance regime for paragraph (e) of this section pursuant to a comparability determination of the Commission may be furnished to the Commission electronically up to 15 days after the date on which the comparable annual report must be completed under the requirements of the applicable substituted compliance regime. If the substituted compliance regime does not specify a date by which the comparable annual report must be completed, then the annual report shall be furnished to the Commission by the date specified in paragraph (f)(2)(i) of this section.

* * * * *

(h) *Delegation of Authority.* The Commission hereby delegates to the Director of the Division of Swap Dealer and Intermediary Oversight, or such other employee or employees as the Director may designate from time to time, the authority to grant extensions of time, as set forth in paragraph (f)(5) of this section. Notwithstanding such

[24] 7 U.S.C. 19(a).

delegation, in any case in which a Commission employee delegated authority under this paragraph believes it appropriate, he or she may submit to the Commission for its consideration the question of whether an extension of time should be granted. The delegation of authority in this paragraph shall not prohibit the Commission, at its election, from exercising the authority set forth in paragraph (f)(5) of this section.

Issued in Washington, DC, on August 8, 2016, 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 Chief Compliance Officer Annual Report Requirements for Futures Commission Merchants, Swap Dealers, and Major Swap Participants; Amendments to Filing Dates—Commission Voting Summary

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

[FR Doc. 2016–19231 Filed 8–11–16; 8:45 am]

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DEPARTMENT OF THE INTERIOR

Bureau of Safety and Environmental Enforcement

30 CFR Part 250

[Docket ID: BSEE–2016–0004; 16XE1700DX EEEE500000 EX1SF0000.DAQ000]

RIN 1014–AA32

Oil and Gas and Sulfur Operations in the Outer Continental Shelf—Decommissioning Costs for Pipelines

AGENCY: Bureau of Safety and Environmental Enforcement, Department of the Interior.

ACTION: Proposed rule.

SUMMARY: The Bureau of Safety and Environmental Enforcement (BSEE) proposes to amend the regulations requiring lessees and owners of operating rights to submit summaries of actual decommissioning expenditures incurred for certain decommissioning activities related to oil and gas and sulfur operations on the Outer Continental Shelf (OCS). The proposed rule would expand the scope of the current regulations to require lessees, owners of operating rights, and right-of-way (ROW) holders to submit summaries of actual expenditures incurred for pipeline decommissioning activities.

DATES: Submit comments by September 12, 2016. BSEE may not fully consider comments received after this date. You may submit comments to the Office of Management and Budget (OMB) on the information collection burden in this proposed rule by September 12, 2016.

ADDRESSES: You may submit comments on this proposed rulemaking by any of the following methods. Please use the Regulation Identifier Number (RIN) 1014–AA32 as an identifier in your message. BSEE may post all submitted comments on a public Web site.

1. Submit comments electronically via the Federal eRulemaking Portal: *http://www.regulations.gov.* In the entry titled ''Enter Keyword or ID,'' enter BSEE–2016–0004, then click ''Search.'' Follow the instructions to submit public comments and view supporting and related materials available for this proposed rulemaking.

2. Mail or hand-carry comments to the Department of the Interior (DOI); Bureau of Safety and Environmental Enforcement; Attention: Regulations and Standards Branch; 45600 Woodland Road, Sterling, VA 20166, VAE–ORP. Please reference ''Decommissioning Costs for Pipelines, 1014–AA32'' in your comments and include your name and return address.

3. Comments on the information collection contained in this proposed rule should be submitted separately from those on the substance of the proposed rule. Send comments on the information collection burden in this proposed rule to: OMB, Interior Desk Officer 1014–AA32, 202–395–5806 (fax); or email: *OIRA_submission@omb.eop.gov.* Please send a copy of your comments to BSEE using one of the methods previously described.

FOR FURTHER INFORMATION CONTACT: Betty Cox, Regulatory Analyst, Regulations and Standards Branch, *Betty.Cox@bsee.gov,* (703) 787–1616.

SUPPLEMENTARY INFORMATION:

BSEE's Functions and Authority

BSEE promotes safety, protects the environment, and conserves natural resources through vigorous regulatory oversight and enforcement of certain activities on the OCS. BSEE derives its authority primarily from the Outer Continental Shelf Lands Act (OCSLA), 43 U.S.C. 1331–1356a. Congress enacted OCSLA in 1953, codifying Federal control over the OCS and authorizing the Secretary of the Interior (Secretary) to regulate oil and natural gas exploration, development, and production operations on the OCS. The Secretary has authorized BSEE to perform certain of these functions, including overseeing decommissioning. (*See* 30 CFR 250.101; 30 CFR part 250, subpart Q.) To carry out its responsibilities, BSEE regulates exploration, development, and production of oil and natural gas to enhance safety and environmental protection in a way that reflects advancements in technology and new information. BSEE also conducts onsite inspections to ensure compliance with regulations, lease terms, and approved plans or permits. Detailed information concerning BSEE's regulations and guidance for the offshore industry may be found on BSEE's Web site at: *www.bsee.gov/Regulations-and-Guidance/index.*

Public Participation and Availability of Comments

BSEE encourages you to participate in this proposed rulemaking by submitting written comments, as discussed in the **ADDRESSES** and **DATES** sections of this proposed rule. This proposed rule provides 30 days for public comment for the following reasons. The need for submission of actual decommissioning cost information for plugging wells, removing platforms, and clearing of sites was explained in a proposed rule published on May 27, 2009 (74 FR 25177) and a final rule published on December 4, 2015 (80 FR75806). That final rule addressed and responded to all of the relevant comments submitted on the proposed rule. This proposed rule would extend the existing requirements for submitting summaries of actual decommissioning costs (30 CFR 250.1704(i) and (j)) to pipelines. The reasons for this proposed rule, as discussed in the Background and Purpose of Proposed Amendment sections of this notice are effectively the same for pipelines as the reasons discussed in the December 4, 2016 rule for the reporting of decommissioning costs for other facilities. BSEE does not expect that public comments on this proposed rule are likely to raise any significant issues that were not raised in the earlier decommissioning cost reporting rulemaking. Moreover, the affected stakeholders in the oil and gas industry are already familiar with the terms and requirements of the existing decommissioning cost reporting rule, which would apply without change to pipelines under this proposed rule. Accordingly, BSEE has determined that 30 days provides a reasonable and adequate opportunity for the public to comment on this proposed rule.

Before including your address, phone number, email address, or other personal identifying information in your comment on this proposed rule,