

corrected on February 28, 2005 (70 FR 12119, March 11, 2005).

#### Applicability

(c) This AD applies to The Boeing Company Model 767-200 and -300 series airplanes, certificated in any category, as identified in Boeing Alert Service Bulletin 767-53A0139, dated November 12, 2009.

#### Subject

(d) Joint Aircraft System Component (JASC)/Air Transport Association (ATA) of America Code 53: Fuselage.

#### Unsafe Condition

(e) This AD was prompted by reports of multiple site damage cracks in the radial web lap and tear strap splices of the aft pressure bulkhead at station (STA) 1582 due to fatigue. We are issuing this AD to prevent fatigue cracking of the aft pressure bulkhead, which could result in rapid decompression of the airplane and possible damage or interference with the airplane control systems that penetrate the bulkhead, and consequent loss of controllability of the airplane.

#### Compliance

(f) Comply with this AD within the compliance times specified, unless already done.

#### Repetitive Inspections

(g) Except as provided by paragraph (h) of this AD: Before the accumulation of 43,000 total flight cycles, or within 1,600 flight cycles after the effective date of this AD, whichever occurs later, do detailed, low-frequency eddy current, and mid-frequency eddy current inspections for cracking of the aft pressure bulkhead at STA 1582, in accordance with the Accomplishment Instructions of Boeing Alert Service Bulletin 767-53A0139, dated November 12, 2009. If any crack is found, before further flight, replace the bulkhead as required by paragraph (h) of this AD, or repair the crack in accordance with the Accomplishment Instructions of Boeing Alert Service Bulletin 767-53A0139, dated November 12, 2009, and repeat the inspections thereafter at intervals not to exceed 1,600 flight cycles. If no crack is found, repeat the inspections thereafter at intervals not to exceed 1,600 flight cycles. Accomplishing the inspections required by this paragraph terminates the repetitive inspections required by paragraph (b) of AD 2004-05-16, Amendment 39-13511 (69 FR 10917, March 9, 2004); and paragraph (f) of AD 2005-03-11, Amendment 39-13967 (70 FR 7174, February 11, 2005), corrected on February 28, 2005 (70 FR 12119, March 11, 2005).

#### Replacement

(h) Except as provided by paragraph (g) of this AD: Before the accumulation of 43,000 total flight cycles, or within 5,000 flight cycles after the effective date of this AD, whichever occurs later: Replace the aft pressure bulkhead at STA 1582 with a new bulkhead, in accordance with the Accomplishment Instructions of Boeing Alert Service Bulletin 767-53A0139, dated November 12, 2009. Accomplishing the

replacement in this paragraph terminates the repetitive inspections required by paragraph (g) of this AD.

#### Alternative Methods of Compliance (AMOCs)

(i)(1) The Manager, Seattle Aircraft Certification Office (ACO), FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or local Flight Standards District Office, as appropriate. If sending information directly to the manager of the ACO, send it to the attention of the person identified in the Related Information section of this AD. Information may be e-mailed to: [9-ANM-Seattle-ACO-AMOC-Requests@faa.gov](mailto:9-ANM-Seattle-ACO-AMOC-Requests@faa.gov).

(2) Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the local flight standards district office/certificate holding district office.

(3) An AMOC that provides an acceptable level of safety may be used for any repair required by this AD if it is approved by the Boeing Commercial Airplanes Organization Designation Authorization (ODA) that has been authorized by the Manager, Seattle ACO to make those findings. For a repair method to be approved, the repair must meet the certification basis of the airplane, and the approval must specifically refer to this AD.

#### Related Information

(j) For more information about this AD, contact Berhane Alazar, Aerospace Engineer, Airframe Branch, ANM-120S, FAA, Seattle Aircraft Certification Office, 1601 Lind Avenue SW., Renton, Washington 98057-3356; phone (425) 917-6577; fax (425) 917-6590; e-mail: [berhane.alazar@faa.gov](mailto:berhane.alazar@faa.gov).

(k) For service information identified in this AD, contact Boeing Commercial Airplanes, Attention: Data & Services Management, P. O. Box 3707, MC 2H-65, Seattle, WA 98124-2207; telephone 206-544-5000, extension 1; fax 206-766-5680; e-mail [me.boecom@boeing.com](mailto:me.boecom@boeing.com); Internet <https://www.myboeingfleet.com>. You may review copies of the referenced service information at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington 98057-3356. For information on the availability of this material at the FAA, call 425-227-1221.

Issued in Renton, Washington, on September 7, 2011.

#### Jeffrey E. Duven,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 2011-24748 Filed 9-26-11; 8:45 am]

**BILLING CODE 4910-13-P**

## DEPARTMENT OF THE TREASURY

### 17 CFR Parts 400, 401, 402, 403, 405, and 420

[Docket No. BPD GSRS 11-01]

RIN 1535-AA02

#### Government Securities Act Regulations; Replacement of References to Credit Ratings and Technical Amendments

**AGENCY:** Office of the Assistant Secretary for Financial Markets, Treasury.

**ACTION:** Proposed rule.

**SUMMARY:** The Department of the Treasury (“Treasury” or “We”) is issuing this proposed rule to solicit public comment on a proposed amendment to the regulations issued under the Government Securities Act of 1986, as amended (“GSA”), to replace references to credit ratings in our rules with alternative requirements. Section 939A of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 requires Federal agencies to remove from their applicable regulations any reference to or requirement of reliance on credit ratings and to substitute a standard of creditworthiness as the agency determines appropriate for such regulations. In this release Treasury is requesting comment on a substitute standard of creditworthiness for use in the liquid capital rule required by GSA regulations. Separately, we are proposing in this release several non-substantive, technical amendments to Treasury’s GSA regulations to update certain information or to delete certain requirements that are no longer applicable.

**DATES:** Submit comments on or before November 28, 2011.

**ADDRESSES:** Comments may be submitted by any of the following methods:

#### Electronic Comments

Use the Federal eRulemaking Portal (<http://www.regulations.gov>) and follow the instructions for submitting comments through the Web site. You may download this proposed amendment from <http://www.regulations.gov> or the Bureau of the Public Debt’s Web site at <http://www.treasurydirect.gov>.

#### Paper Comments

Send paper comments to Bureau of the Public Debt, Government Securities Regulations Staff, 799 9th Street, NW., Washington, DC 20239-0001.

Please submit your comments using only one method, along with your full name and mailing address. We will post all comments on the Bureau of the Public Debt's Web site at <http://www.treasurydirect.gov>. The proposed amendment and comments will also be available for public inspection and copying at the Treasury Department Library, Main Treasury Building, 1500 Pennsylvania Avenue, NW., Washington, DC 20220. To visit the library, call (202) 622-0990 for an appointment. In general, comments received, including attachments and other supporting materials, are part of the public record and are available to the public. Do not submit any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

**FOR FURTHER INFORMATION CONTACT:** Lori Santamarena, Chuck Andreatta, or Kevin Hawkins, Department of the Treasury, Bureau of the Public Debt, Government Securities Regulations Staff, (202) 504-3632.

**SUPPLEMENTARY INFORMATION:** We are proposing to amend Treasury's liquid capital rule for registered government securities brokers and dealers under the GSA regulations at 17 CFR part 402 ("liquid capital rule") to remove references to credit ratings and substitute a standard of creditworthiness. We are proposing this amendment in order to comply with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act").<sup>1</sup> At the same time, we are seeking neither to narrow nor broaden the scope of financial instruments that would qualify for beneficial treatment under the existing rule. Section 939A(a) of the Dodd-Frank Act requires that Federal agencies, to the extent applicable, "review (1) any regulation issued by such agency that requires the use of an assessment of the creditworthiness of a security or money market instrument; and (2) any references to or requirements in such regulations regarding credit ratings." Section 939A(b) requires the agency to modify any regulations identified to "remove any reference to or requirement of reliance on credit ratings and to substitute in such regulations such standard of creditworthiness" as the agency determines to be appropriate for such regulations.<sup>2</sup>

### I. Current Liquid Capital Rule

Treasury's liquid capital rule (17 CFR 402.2) prescribes minimum regulatory capital requirements for registered government securities brokers and dealers. In general, the liquid capital rule is a minimum ratio requirement of liquid capital to risk, as measured using various "haircuts."<sup>3</sup> Specifically, a government securities broker or dealer may not permit its liquid capital to be below an amount equal to 120 percent of "total haircuts," which is the sum of "credit risk haircuts" and "market risk haircuts" calculated by each government securities broker or dealer.<sup>4</sup>

In describing the method for registered government securities brokers and dealers to calculate their minimum capital requirements, the liquid capital rule categorizes certain dollar-denominated securities, debt instruments, and derivative instruments as "Treasury market risk instruments."<sup>5</sup> These instruments receive a more favorable capital treatment than instruments that are more susceptible to changes in value due to market fluctuations, which receive a higher "other securities haircut."<sup>6</sup> The definition of Treasury market risk instruments includes commercial paper, which, in order to receive the more favorable haircut treatment of Treasury market risk instruments must be, "of no more than one year to maturity [and] rated in one of the three highest categories by at least two nationally recognized statistical rating organizations."<sup>7</sup>

The liquid capital rule includes three references to a rating by a nationally recognized statistical rating organization ("NRSRO"), *i.e.*, a credit rating, each in regard to commercial paper. NRSROs are credit rating agencies that are subject to Securities and Exchange Commission registration and oversight.

### II. Proposed Amendments to the Liquid Capital Rule

In conformance with section 939A of the Dodd-Frank Act, Treasury is proposing to remove from the liquid capital rule the three references to credit ratings<sup>8</sup> that currently are used to determine whether specific issues of commercial paper are eligible to be

treated as Treasury market risk instruments for haircut purposes. In place of these references, and as a substitute alternative standard of creditworthiness, Treasury is proposing to amend the term "Treasury market risk instrument" in the liquid capital rule to include commercial paper that "has only a minimal amount of credit risk as reasonably determined by the government securities broker or dealer pursuant to written policies and procedures the government securities broker or dealer establishes, maintains, and enforces to assess creditworthiness." In making this assessment, the government securities broker or dealer would be required to follow written policies and procedures that it would establish, maintain, and enforce. In making an assessment of credit and liquidity risk, the government securities broker or dealer could consider the following factors, to the extent appropriate, with respect to commercial paper.<sup>9</sup> The range and type of specific factors considered, and the frequency of their review, would vary depending on the particular commercial paper under review.

- Credit spreads (*i.e.*, whether it is possible to demonstrate that a position in commercial paper is subject to a minimal amount of credit risk based on the spread between the commercial paper's yield and the yield of Treasury or other securities, or based on credit default swap spreads that reference the security);
- Liquidity (*i.e.*, whether the commercial paper can be sold quickly at a minimal transaction cost);
- Securities-related research (*i.e.*, whether providers of securities-related research believe the issuer of the commercial paper will be able to meet its financial commitments, generally, or specifically, with respect to the commercial paper held by the government securities broker or government securities dealer);
- Internal or external credit risk assessments (*i.e.*, whether credit assessments developed internally by the government securities broker or government securities dealer or externally by a credit rating agency, irrespective of its status as an NRSRO, express a view as to the credit risk associated with a particular security);

<sup>9</sup> This list of factors is not exhaustive or mutually exclusive. It is patterned after the list of factors proposed by the Securities and Exchange Commission in its current proposed amendments to Exchange Act Rule 15c3-1, and the Rule's appendices, to remove references to credit ratings in the Commission's Net Capital Rule. 76 FR 26550 (May 6, 2011).

<sup>1</sup> Public Law 111-203, 124 Stat. 1376.

<sup>2</sup> See Section 939A of the Dodd-Frank Act.

<sup>3</sup> A "haircut" in the context of Treasury's liquid capital rule refers to a deduction in the market value of securities or other instruments held by a government securities broker or dealer as part of net worth for calculating its liquid capital.

<sup>4</sup> See §§ 402.2(a) and 402.2(g).

<sup>5</sup> See § 402.2(e).

<sup>6</sup> See § 402.2a(b).

<sup>7</sup> See § 402.2(e)(1)(v), § 402.2a—Schedule A Instructions for Line 3, and § 404.2a—Schedule B.

<sup>8</sup> *Id.*

- Default statistics (*i.e.*, whether providers of credit information relating to securities express a view that the commercial paper has a probability of default consistent with other commercial paper with a minimal amount of credit risk);

- Inclusion on an index (*i.e.*, whether a security, or issuer of the security, is included as a component of a recognized index of instruments that are subject to a minimal amount of credit risk);

- Price and/or yield (*i.e.*, whether the price and yield of a security are consistent with other securities that the government securities broker or government securities dealer has reasonably determined are subject to a minimal amount of credit risk and whether the price resulted from active trading); and

- Factors specific to the commercial paper market (*e.g.*, general liquidity conditions).

If the government securities broker or dealer determines through its assessment that the commercial paper has more than a minimal amount of credit risk, the commercial paper would not be classified as a Treasury market risk instrument, and would therefore receive the less favorable “other securities haircut” in the liquid capital computation. Similarly, if the government securities broker or dealer does not have written policies and procedures to assess creditworthiness, all commercial paper would receive the “other securities haircut” treatment.

Under Treasury’s GSA regulations that govern recordkeeping requirements,<sup>10</sup> which generally incorporate the SEC’s Rule 17a–4 recordkeeping requirements for brokers and dealers,<sup>11</sup> each government securities broker or dealer would be required to preserve for a period of not less than three years, the first two years in an easily accessible place, the written policies and procedures that it establishes, maintains, and enforces for assessing credit risk for commercial paper. The SEC has proposed amending Rule 17a–4 to include in the list of records required to be preserved the written policies and procedures a broker-dealer establishes, maintains, and enforces to assess creditworthiness.<sup>12</sup> No amendment is necessary to Treasury’s recordkeeping requirements in § 404.3 because they

incorporate by reference the SEC’s Rule 17a–4.

A government securities broker’s or dealer’s process for establishing creditworthiness and its written policies and procedures documenting that process would be subject to review in regulatory examinations by the SEC and self-regulatory organizations. There are three registered government securities brokers and dealers, none of which currently or routinely hold commercial paper.

We are requesting comment on all aspects of this proposed amendment. In addition, we request comment on the following specific questions:

- Is the proposed approach appropriate or are there alternative approaches that we should consider?
- What is the expected impact on government securities brokers and dealers and other market participants?
- Are there other factors a government securities broker or dealer should use when making an assessment of the credit risk of commercial paper?
- Should the list of factors be included in the text of the liquid capital rule? Should the list be published as guidance?
- How often should a government securities broker or dealer be required to update its assessment of the credit risk of commercial paper to ensure that it remains current?
- Is the proposed recordkeeping requirement for government securities brokers’ and dealers’ written policies and procedures, as incorporated by reference to the SEC’s Rule 17a–4 (and proposed amendments), adequate to ensure government securities brokers’ and dealers’ compliance with their written policies and procedures on an indefinite basis?
- What would be the appropriate level of regulatory oversight of a government securities broker or dealer’s credit determination processes? How should a government securities broker or dealer be able to demonstrate to regulators the adequacy of the processes that it adopts and that it is following them?
- How consistent should credit determination criteria be across brokers and dealers?

### III. Proposed Amendments to Reporting Requirements and Other Amendments

As part of our review of our Federal regulations required by Executive Order 13563, we are proposing to streamline the GSA regulations by deleting certain requirements. Specifically, we are proposing to delete the sections in our reporting requirements that refer to year 2000 (“Y2K”) readiness reports because

they are no longer needed.<sup>13</sup> We are also proposing to delete references to various other requirements in the GSA regulations that are contingent on actions to be taken by specific dates in the past and therefore are no longer applicable.

### IV. Special Analysis

Executive Orders 13563 and 12866 direct agencies to assess costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This rule has been designated a “significant regulatory action,” although not economically significant, under section 3(f) of Executive Order 12866. Accordingly, the rule has been reviewed by the Office of Management and Budget.

This proposed amendment would potentially affect three registered government securities brokers or dealers, none of which currently or routinely hold commercial paper. Accordingly, at this time, Treasury is not submitting a Paperwork Reduction Act submission related to the proposed rule’s information collection requirements. Additionally, because the proposed amendment would not have a significant economic impact on a substantial number of small entities, a regulatory flexibility analysis is not required under the Regulatory Flexibility Act (5 U.S.C. 601, *et seq.*).

### List of Subjects in 17 CFR Part 400

Administrative practice and procedure, Banks, banking, Brokers, Government securities, Reporting and recordkeeping requirements.

For the reasons set out in the preamble, we propose that 17 CFR 400.2 be revised as follows:

### PART 400—RULES OF GENERAL APPLICATION

1. The authority citation for part 400 continues to read as follows:

**Authority:** 15 U.S.C. 78o–5.

2. Section 400.2 is amended by revising the last sentence of paragraph (c)(7)(i) to read as follows:

<sup>13</sup> See § 405.2 paragraphs (a)(11) through (a)(14).

<sup>10</sup> See § 404.3(a).

<sup>11</sup> See 17 CFR 240.17a–4.

<sup>12</sup> 76 FR 26552 (May 6, 2011). OMB Control No. 3235–0279.

**§ 400.2 Office responsible for regulations; filing of requests for exemption, for interpretations and of other materials.**

\* \* \* \* \*

(c) \* \* \*  
(7) \* \* \*

(i) \* \* \* These documents will be made available at the following location: Treasury Department Library, Main Treasury Building, 1500 Pennsylvania Avenue, NW., Washington, DC 20220.

**List of Subjects in 17 CFR Part 401**

Banks, banking, Brokers, Government securities.

For the reasons set out in the preamble, we propose that 17 CFR 401.7 and 401.8 be deleted.

**PART 401—EXEMPTIONS**

1. The authority citation for part 401 continues to read as follows:

**Authority:** Sec. 101, Pub. L. 99-571, 100 Stat. 3209 (15 U.S.C. 78o-5(a)(4)).

2. Sections 401.7 and 401.8 are deleted and section 401.9 is redesignated as section 401.7.

**List of Subjects in 17 CFR Part 402**

Brokers, Government securities.

For the reasons set out in the preamble, we propose that 17 CFR 402.2e be deleted and that 402.1, 402.2 and 402.2a be amended as follows:

**PART 402—FINANCIAL RESPONSIBILITY**

1. The authority citation for part 402 continues to read as follows:

**Authority:** 15 U.S.C. 78o-5(b)(1)(A), (b)(4), Pub. L. 111-203, 124 Stat. 1376.

2. Section 402.1 is amended by revising paragraph (f) to read as follows:

**§ 402.1 Application of part to registered brokers and dealers and financial institutions; special rules for futures commission merchants and government securities interdealer brokers; effective date.**

\* \* \* \* \*

(f) This part shall be effective July 25, 1987.

3. Section 402.2 is amended by revising paragraphs (b)(1), (b)(2), (c)(1), (c)(2), and (e)(1)(v) to read as follows:

**§ 402.2 Capital requirements for registered government securities brokers and dealers.**

\* \* \* \* \*

(b)(1) *Minimum liquid capital for brokers or dealers that carry customer accounts.* Notwithstanding the provisions of paragraph (a) of this section, a government securities broker or dealer that carries customer or broker or dealer accounts and receives or holds funds or securities for those persons

within the meaning of § 240.15c3-1(a)(2)(i) of this title, shall have and maintain liquid capital in an amount not less than \$250,000, after deducting total haircuts as defined in paragraph (g) of this section.

(2) *Minimum liquid capital for brokers or dealers that carry customer accounts, but do not generally hold customer funds or securities.* Notwithstanding the provisions of paragraphs (a) and (b)(1) of this section, a government securities broker or dealer that carries customer or broker or dealer accounts and is exempt from the provisions of § 240.15c3-3 of this title, as made applicable to government securities brokers and dealers by § 403.4 of this chapter, pursuant to paragraph (k)(2)(i), shall have and maintain liquid capital in an amount not less than \$100,000, after deducting total haircuts as defined in paragraph (g) of this section.

(c)(1) *Minimum liquid capital for introducing brokers that receive securities.* Notwithstanding the provisions of paragraphs (a) and (b) of this section, a government securities broker or dealer that introduces on a fully disclosed basis transactions and accounts of customers to another registered or noticed government securities broker or dealer but does not receive, directly or indirectly, funds from or for, or owe funds to, customers, and does not carry the accounts of, or for, customers shall have and maintain liquid capital in an amount not less than \$50,000, after deducting total haircuts as defined in paragraph (g) of this section.

\* \* \* \* \*

(2) *Minimum liquid capital for introducing brokers that do not receive or handle customer funds or securities.* Notwithstanding the provisions of paragraphs (a), (b) and (c)(1) of this section, a government securities broker or dealer that does not receive, directly or indirectly, or hold funds or securities for, or owe funds or securities to, customers, and does not carry accounts of, or for, customers and that effects ten or fewer transactions in securities in any one calendar year for its own investment account shall have and maintain liquid capital in an amount not less than \$25,000, after deducting total haircuts as defined in paragraph (g) of this section.

\* \* \* \* \*

(e) \* \* \*  
(1) \* \* \*

(v) Commercial paper of no more than one year to maturity and which has only a minimal amount of credit risk as reasonably determined by the government securities broker or dealer

pursuant to written policies and procedures the government securities broker or dealer establishes, maintains, and enforces to assess creditworthiness;

\* \* \* \* \*

4. Section 402.2a is amended by revising the Instructions to Schedule A, Line 3, paragraph c., and Instructions to Schedule B, Columns 3 and 4, paragraph (5) to read as follows:

**§ 402.2a Appendix A—Calculation of market risk haircut for purposes of § 402.2(g)(2).**

\* \* \* \* \*

**Instructions to Schedules A Through E**

\* \* \* \* \*

**Schedule A—Liquid Capital Requirement Summary Computation**

\* \* \* \* \*

c. Enter the credit volatility haircut which equals a factor of 0.15 percent applied to the larger of the gross long or gross short position in money market instruments qualifying as Treasury market risk instruments which mature in 45 days or more, in futures and forwards on these instruments that are settled on a cash or delivery basis, and in futures and forwards on time deposits described in § 402.2(e)(1)(vii), that mature in 45 days or more, settled on a cash or delivery basis. Money market instruments qualifying as Treasury market risk instruments are (1) Marketable certificates of deposit with no more than one year to maturity, (2) bankers acceptances, and (3) commercial paper of no more than one year to maturity and which has only a minimal amount of credit risk as reasonably determined by the government securities broker or dealer pursuant to written policies and procedures the government securities broker or government securities dealer establishes, maintains, and enforces to assess creditworthiness.

\* \* \* \* \*

**Schedule B—Calculation of Net Immediate Position in Securities and Financings**

\* \* \* \* \*

(5) Commercial paper of no more than one year to maturity and which has only a minimal amount of credit risk as reasonably determined by the government securities broker or dealer pursuant to written policies and procedures the government securities broker or dealer establishes, maintains, and enforces to assess creditworthiness; and

\* \* \* \* \*

**§ 402.5a [Deleted]**

5. Section 402.5a is deleted.

**List of Subjects in 17 CFR Part 403**

Banks, banking, Brokers, Government securities.

For the reasons set out in the preamble, 17 CFR part 403 is amended as follows:

## PART 403—PROTECTION OF CUSTOMER SECURITIES AND BALANCES

1. The authority citation for part 403 continues to read as follows:

**Authority:** Sec. 101, Pub. L. 99–571, 100 Stat. 3209; sec. 4(b), Pub. L. 101–432, 104 Stat. 963; sec. 102, sec. 106, Pub. L. 103–202, 107 Stat. 2344 (15 U.S.C. 78o–5(a)(5), (b)(1)(A), (b)(4)).

### § 403.7 [Amended]

2. Section 403.7 is amended by deleting paragraphs (d) and (e).

### List of Subjects in 17 CFR Part 405

Brokers, Government securities, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, we propose that 17 CFR 405.2 and 405.5 be amended as follows:

## PART 405—REPORTS AND AUDIT

1. The authority citation for part 405 continues to read as follows:

**Authority:** 15 U.S.C. 78o–5 (b)(1)(B), (b)(1)(C), (b)(2), (b)(4).

### § 405.2 [Amended]

2. Section 405.2 is amended by deleting paragraphs (a)(11) through (a)(14) and redesignating paragraphs (a)(15) and (a)(16) as paragraphs (a)(11) and (a)(12), respectively.

### § 405.5 [Amended]

3. Section 405.5 is amended by deleting paragraph (a)(7).

### List of Subjects in 17 CFR Part 420

Foreign investments in U.S., Government securities, Investments, Reporting and recordkeeping requirements.

For the reasons stated in the preamble, we propose that 17 CFR part 420 be amended as follows:

## PART 420—LARGE POSITION REPORTING

1. The authority citation for part 420 continues to read as follows:

**Authority:** 15 U.S.C. 78o–5(f).

2. Section 420.4 is amended by deleting paragraphs (a)(2) and (a)(3), and redesignating paragraph (a)(1) as paragraph (a) to read as follows:

### § 420.4 Recordkeeping.

(a) An aggregating entity that controls a portion of its reporting entity's reportable position in a recently-issued Treasury security, when such reportable position of the reporting entity equals or exceeds the minimum large position threshold, shall be responsible for

making and maintaining the records prescribed in this section.

\* \* \* \* \*

Mary J. Miller,

*Assistant Secretary for Financial Markets.*

[FR Doc. 2011–24785 Filed 9–26–11; 8:45 am]

**BILLING CODE 4810–39–P**

## DEPARTMENT OF HOMELAND SECURITY

### Coast Guard

### 33 CFR Part 110

[Docket No. USCG–2011–0443]

RIN 1625–AA01

### Anchorage Regulations; Newport, RI

**AGENCY:** Coast Guard, DHS.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Coast Guard proposes to change the shape and expand the dimensions of anchorage “D” at Newport, Rhode Island, to better accommodate increasing cruise ship visits to Newport and to improve navigation safety.

**DATES:** Comments and related material, including requests for public meetings, must be received by the Coast Guard on or before October 27, 2011.

**ADDRESSES:** You may submit comments identified by docket number USCG–2011–0443 using any one of the following methods:

(1) *Federal eRulemaking Portal:* <http://www.regulations.gov>.

(2) *Fax:* 202–493–2251.

(3) *Mail:* Docket Management Facility (M–30), U.S. Department of Transportation, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue, SE., Washington, DC 20590–0001.

(4) *Hand delivery:* Same as mail address above, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The telephone number is 202–366–9329.

To avoid duplication, please use only one of these methods. See the “Public Participation and Request for Comments” portion of the **SUPPLEMENTARY INFORMATION** section below.

**FOR FURTHER INFORMATION CONTACT:** If you have questions on this proposed rule, call Mr. Edward G. LeBlanc, Chief, Waterways Management Division, Coast Guard Sector Southeastern New England, at 401–435–2351, or [Edward.G.LeBlanc@uscg.mil](mailto:Edward.G.LeBlanc@uscg.mil). If you have questions on viewing or submitting

material to the docket, call Renee V. Wright, Program Manager, Docket Operations, telephone 202–366–9826.

### SUPPLEMENTARY INFORMATION:

### Public Participation and Request for Comments

We encourage you to participate in this rulemaking by submitting comments and related materials. All comments received will be posted, without change, to <http://www.regulations.gov> and will include any personal information you have provided.

### Submitting Comments

If you submit a comment, please include the docket number for this rulemaking (USCG–2011–0443), indicate the specific section of this document to which each comment applies, and provide a reason for each suggestion or recommendation. You may submit your comments and material online (via <http://www.regulations.gov>), or by fax, mail or hand delivery, but please use only one of these means. If you submit a comment online via <http://www.regulations.gov>, it will be considered received by the Coast Guard when you successfully transmit the comment. If you fax, hand deliver, or mail your comment, it will be considered as having been received by the Coast Guard when it is received at the Docket Management Facility. We recommend that you include your name and a mailing address, an e-mail address, or a phone number in the body of your document so that we can contact you if we have questions regarding your submission.

To submit your comment online, go to <http://www.regulations.gov>, click on the “submit a comment” box, which will then become highlighted in blue. In the “Document Type” drop down menu select “Proposed Rule” and insert “USCG–2011–0443” in the “Keyword” box. Click “Search” then click on the balloon shape in the “Actions” column. If you submit your comments by mail or hand delivery, submit them in an unbound format, no larger than 8½ by 11 inches, suitable for copying and electronic filing. If you submit comments by mail and would like to know that they reached the Facility, please enclose a stamped, self-addressed postcard or envelope. We will consider all comments and material received during the comment period and may change the rule based on your comments.