

persons that the Commission determines to be appropriate in light of * * * the applicability of appropriate regulatory protections.” (Emphasis added.) These products will be traded on a regulated exchange. CBOE, OCC, and their members who will intermediate these transactions, are subject to extensive and detailed oversight by the SEC and, in the case of the intermediaries, the securities self-regulatory organizations. It should be noted that CME has listed or will list comparable products and has not limited access to its markets to specified categories of persons. In light of where the products will be traded, the regulatory protections available under the securities laws, and the goal of promoting fair competition, these products will be traded by appropriate persons.

Third, the exemption would not have a material adverse effect on the ability of the Commission or any designated contract market to carry out their regulatory responsibilities under the CEA. There is no reason to believe that granting an exemption here would interfere with the Commission’s or a designated contract market’s ability to oversee the trading of similar products on a designated contract market or otherwise to carry out their duties. None of the comment letters received addressed this issue.¹⁸

Therefore, upon due consideration, pursuant to its authority under Section 4(c) of the CEA, the Commission hereby issues this Order and exempts the trading and clearing of CDOs and CDBOs to be listed and traded on CBOE and cleared through OCC as a securities clearing agency from the CEA. This Order is contingent upon the approval by the SEC, pursuant to Section 19(b) of the 1934 Act, of CBOE and OCC rules to permit the listing and trading of CDOs and CDBOs on CBOE. This Order is subject to termination or revision, on a prospective basis, if the Commission determines upon further information that this exemption is not consistent with the public interest. If the Commission believes such exemption becomes detrimental to the public

interest, the Commission may revoke this Order on its own motion.

V. Related Matters

A. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (“PRA”) ¹⁹ imposes certain requirements on federal agencies (including the Commission) in connection with their conducting or sponsoring any collection of information as defined by the PRA. The exemptive order would not require a new collection of information from any entities that would be subject to the order.

B. Cost-Benefit Analysis

Section 15(a) of the CEA, as amended by Section 119 of the Commodity Futures Modernization Act of 2000 (“CFMA”), ²⁰ requires the Commission to consider the costs and benefits of its action before issuing an order under the CEA. By its terms, Section 15(a) as amended does not require the Commission to quantify the costs and benefits of an order or to determine whether the benefits of the order outweigh its costs. Rather, Section 15(a) simply requires the Commission to “consider the costs and benefits” of its action.

Section 15(a) of the CEA further specifies that costs and benefits shall be evaluated in light of five broad areas of market and public concern: Protection of market participants and the public; efficiency, competitiveness, and financial integrity of futures markets; price discovery; sound risk management practices; and other public interest considerations. Accordingly, the Commission could in its discretion give greater weight to any one of the five enumerated areas and could in its discretion determine that, notwithstanding its costs, a particular order was necessary or appropriate to protect the public interest or to effectuate any of the provisions or to accomplish any of the purposes of the CEA.

The exemptive order issued today is expected to facilitate market competition. The Commission has considered the costs and benefits of the order in light of the specific provisions of Section 15(a) of the CEA, as follows:

1. *Protection of market participants and the public.* Protections for market participants and the public exist in that CBOE, OCC and their members who will intermediate CDOs and CDBOs are subject to extensive oversight by the

SEC and, in the case of intermediaries, securities self-regulatory organizations.

2. *Efficiency, competition, and financial integrity.* The exemptive order may enhance market efficiency and competition since it could encourage potential trading of CDOs and CDBOs on markets other than designated contract markets. Financial integrity will not be impaired since the CDOs and CDBOs will be cleared by OCC, a DCO and SEC-registered clearing agency, and intermediated by SEC-registered broker-dealers.

3. *Price discovery.* Price discovery may be enhanced through market competition.

4. *Sound risk management practices.* OCC has described appropriate risk management practices that it will follow in connection with the clearing of CDOs and CDBOs.

5. *Other public interest considerations.* The exemptive order may encourage development of credit derivative products through market competition without unnecessary regulatory burden.

The Commission requested comment on its application of these factors in the proposing release. No comments were received.

After considering these factors, the Commission has determined to issue this Order.

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Issued in Washington, DC, on June 5, 2007 by the Commission.

Eileen A. Donovan,

Acting Secretary of the Commission.

[FR Doc. 07–2878 Filed 6–8–07; 8:45 am]

Editorial Note: FR Doc. 07–2878 originally published at pages 32079–32081 in the issue of Monday, June 11, 2007. Due to numerous errors, the document is being reprinted in its entirety.

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DEPARTMENT OF DEFENSE

Office of the Secretary

[Docket No. DOD 2007–OS–0062–]

Proposed Collection; Comment Request

AGENCY: Defense Finance and Accounting Service, DoD.

ACTION: Notice.

SUMMARY: In compliance with Section 3506(c)(2)(A) of the Paperwork Reduction Act of 1995, the Defense Finance and Accounting Service announces the proposed extension of a

¹⁸ Under Section 4(c) of the CEA, the Commission need not resolve whether, as CME argues in its comment letter, these products are based on commodities and not securities, or, as CBOE argues in its comment letter, these products are securities subject to the securities laws. Nor need the Commission determine, as CME urges, whether the products are properly characterized as options. Finally, the Commission notes that its references to the novelty of the issues raised by these products refer to issues under the CEA and were not intended to be applicable in any matter relating to patent or intellectual property law.

¹⁹ 44 U.S.C. 3507(d).

²⁰ 7 U.S.C. 19(a).

public information collection and seeks public comment on the provisions thereof. Comments are invited on : (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed information collection; (c) ways to enhance the quality, utility and clarity of the information to be collected; and (d) ways to minimize the burden of the information collection on respondents, including through the use of automated collection techniques or other forms of information technology.

DATES: Consideration will be given to all comments received by August 14, 2007.

ADDRESSES: You may submit comments, identified by docket number and title, by any of the following methods:

- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments.
- *Mail:* Federal Docket Management System Office, 1160 Defense Pentagon, Washington, DC 20301-1160.

Instructions: All submissions received must include the agency name, docket number and title for this **Federal Register** document. The general policy for comments and other submissions from members of the public is to make these submissions available for public viewing on the Internet at <http://www.regulations.gov> as they are received without change, including any personal identifiers or contact information.

FOR FURTHER INFORMATION CONTACT: To request more information on this proposed information collection or to obtain a copy of the proposal and associated collection instruments, please write to the Military Pay, Standards and Compliance, Defense Finance and Accounting Service, DFAS-JJFMB/CL, ATTN: Ms. Laurie Eldridge, 1240 East 9th Street, Room 1781, Cleveland, Ohio 44199, or call Ms. Laurie Eldridge at (216) 204-3631.

Title, Associated Form, and OMB Number: Dependency Statements; Parent (DD Form 137-3), Child Born Out of Wedlock (DD Form 137-4), Incapacitated Child Over Age 21 (DD Form 137-5), Full Time Student 21-22 Years of Age (DD Form 137-6), and Ward of the Court (DD Form 137-7); OMB Number 0730-0014.

Needs and Uses: This information collection is used to certify dependency or obtain information to determine entitlement to basic allowance for housing (BAH) with dependent rate, travel allowance, or Uniformed Services

Identification and Privilege Card. Information regarding a parent, a child born out-of-wedlock, an incapacitated child over age 21, a student age 21-22, or a ward of a court is provided by the military member or by another individual who may be a member of the public. Pursuant to 37 U.S.C. 401, 403, 406, and 10 U.S.C. 1072 and 1076, the member must provide more than one half of the claimed dependent's monthly expenses. DoD Financial Management Regulation 7000.14-R, Vol. 7A, defines dependency and directs that dependency be proven. Dependency claim examiners use the information from these forms to determine the degree of benefits. The requirement to provide the information decreases the possibility of monetary allowances being approved on behalf of ineligible dependents.

Affected Public: Individuals or households.

Annual Burden Hours: 24,300 hours.

Number of Respondents: 19,440.

Responses per Respondent: 1.

Average Burden per Response: 1.25 hours.

Frequency: On occasion.

SUPPLEMENTARY INFORMATION:

Summary of Information Collection

When military members apply for benefits, they must complete the form which corresponds to the particular dependent situation (a parent, a child born out-of-wedlock, an incapacitated child over age 21, a student age 21-22, or a ward of a court). While members usually complete these forms, they can also be completed by others considered members of the public. Dependency claim examiners use the information from these forms to determine the degree of benefits. Without this collection of information, proof of an entitlement to a benefit would not exist. The requirement to complete these forms helps alleviate the opportunity for fraud, waste, and abuse of dependent benefits.

Dated: June 5, 2007

Patricia L. Toppings,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 07-2951 Filed 06-14-07; 8:45 am]

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DEPARTMENT OF DEFENSE

Office of the Secretary

TRICARE Over-the-Counter Drug Demonstration Project

AGENCY: Department of Defense.

ACTION: Notice of a TRICARE over-the-counter drug demonstration project.

SUMMARY: This notice is to advise interested parties of a demonstration project in which the Department of Defense will evaluate allowing selected over-the-counter (OTC) drugs to be included on the TRICARE uniform formulary. The Secretary will evaluate the costs/benefits and beneficiary satisfaction of providing OTC drugs under the pharmacy benefits program when the selected OTC drugs are determined to be clinically effective. The demonstration project will be available for beneficiaries within the United States, Puerto Rico, Virgin Islands, and Guam.

DATES: *Effective Date:* This demonstration project is mandated by Section 705 of the John Warner National Defense Authorization Act for 2007, with an implementation deadline of May 1, 2007. Therefore, the Department of Defense is waiving the regulation (32 CFR 199.1(o)) requiring at least 30 days notice of a demonstration project prior to its effective date. Waiver of the notice period is deemed necessary to avoid delay in implementing program changes.

FOR FURTHER INFORMATION CONTACT: MAJ Travis Watson, TRICARE Management Activity, Pharmaceutical Operations Directorate, telephone (703) 681-2890.

SUPPLEMENTARY INFORMATION:

A. Background

Section 705 of the John Warner National Defense Authorization Act for 2007 (hereafter Section 705) directed the Department of Defense to conduct a demonstration project to allow certain over-the-counter medications to be included on the uniform formulary under section 1074g of title 10, United States Code. Section 705 requires that OTC drugs provided under this demonstration project be made available through at least two of the following dispensing venues—military treatment facilities, TRICARE retail network pharmacies, or the TRICARE mail order pharmacy. The Department intends to initially offer the selected OTC drugs through the TRICARE mail order pharmacy and a limited number of designated military treatment facilities (no less than five per TRICARE region). Not all OTC drugs will be covered under this demonstration project. An OTC drug shall be made available to a beneficiary through the demonstration project if (a) the beneficiary has a prescription for a drug requiring a prescription; (b) the Pharmacy & Therapeutics Committee has determined