

Dated: July 2, 1998.

**David W. Burke,**  
Chairman.

[FR Doc. 98-18124 Filed 7-2-98; 3:05 pm]

BILLING CODE 8230-01-M

## COMMODITY FUTURES TRADING COMMISSION

### Petition of the London Clearing House Limited for Exemption Pursuant to Section 4(c) of the Commodity Exchange Act

**AGENCY:** Commodity Futures Trading Commission.

**ACTION:** Notice of petition for exemption and request for comment.

**SUMMARY:** The London Clearing House Limited ("LCH") has submitted a petition dated June 15, 1998 ("Petition") to the Commodity Futures Trading Commission ("Commission") requesting an exemption, pursuant to Section 4(c) of the Commodity Exchange Act ("Act" or "CEA"), in connection with LCH's proposed provision of clearing services for certain swap agreements. The Commission believes that publication of the Petition for comment is in the public interest, will assist the Commission in considering the views of interested persons, and is consistent with the purposes of the Commodity Exchange Act. The Petition also may be accessed on the Commission's Internet web site (<http://www.cftc.gov>) and may be obtained through the Commission's Office of the Secretariat.

**DATES:** Comments must be received on or before September 8, 1998.

**ADDRESSES:** Comments should be submitted to Jean A. Webb, Secretary, Commodity Futures Trading Commission, 1155 21st Street, NW, Washington, DC 20581. Comments also may be sent by facsimile to (202) 418-5521 or by electronic mail to [secretary@cftc.gov](mailto:secretary@cftc.gov). Reference should be made to the Petition of LCH.

**FOR FURTHER INFORMATION CONTACT:** Thomas E. Joseph, Division of Trading and Markets, Commodity Futures Trading Commission, 1155 21st Street NW Washington, DC 20581. Telephone number (202) 418-5430.

#### SUPPLEMENTARY INFORMATION:

#### I. Background

By petition dated June 15, 1998, the LCH applied pursuant to Section 4(c) of the Act<sup>1</sup> for an exemption from all provisions of the Act (except for Sections 2(a)(1)(B), 4b and 4o of the Act, and the

provisions of Sections 6(c) and 9(a)(2) of the Act to the extent these provisions prohibit manipulation of the market price of any commodity in interstate commerce or for future delivery on or subject to the rules of any contract market and Section 32.9 of the CFTC's Rules) to qualified U.S. entities that utilize [the LCH facility] to clear transactions in "swap agreements" (as such term is defined in CFTC Rule 35.1(b)).<sup>2</sup>

LCH has developed a clearing facility for swap agreements ("SwapClear") which is scheduled to commence operations in mid-1999.<sup>3</sup> The facility will be used to clear interest rate swaps and forward rate agreements in the following currencies: U.S. dollars, Japanese yen, Euros (and the eleven underlying currencies), British pounds, and possibly Canadian dollars.<sup>4</sup> Participation will be limited to large institutions that participate as dealers in the swap market and that meet specified financial and operational standards.<sup>5</sup>

LCH states that it will not provide any facility for arranging or executing transactions and will have no impact on the way counterparties negotiate or effect swap transactions.<sup>6</sup> It will perform credit enhancement, risk management, and position administration functions for those swaps that qualified participants choose to submit for clearing.<sup>7</sup> LCH will net payment amounts due to or from a clearing member related to swaps with other obligations due to or from the clearing member where possible, including amounts related to exchange-traded business.<sup>8</sup>

In the Petition, LCH summarizes the principal features of its risk management procedures.<sup>9</sup> It also describes the regulatory regime to which it is subject in the United Kingdom<sup>10</sup> and its internal governance procedures.<sup>11</sup>

LCH asserts that the Petition satisfies the statutory standards for relief. In particular, LCH argues that:

(1) The exchange trading requirements should not apply to swap agreements cleared through SwapClear because SwapClear will not impact current OTC trading arrangements;<sup>12</sup>

Swap agreements cleared through SwapClear will be entered into solely by wholesale market participants whose qualifications exceed Congressional

standards regarding appropriate persons and Commission standards for "eligible swap participants";<sup>13</sup>

(3) The proposed relief is consistent with the public interest and the purpose of the Act;<sup>14</sup>

(4) The proposed relief will have no material adverse effect on Commission or contract market regulatory or self-regulatory responsibilities;<sup>15</sup> and

(5) The proposed Exemption is pro-competitive.<sup>16</sup>

#### II. Request for Comment

The Commission requests comment on all the aspect of the LCH Petition. In this regard, the Commission directs the attention of commenters to the issues raised in the discussion of swaps clearing in the OTC derivatives concept release.<sup>17</sup> In addition, the Commission requests comment on any specific features of the LCH proposal that may raise issues particular to that proposal. Such features might include the location of LCH outside the United States, the status of LCH as a regulated entity in the United Kingdom, and LCH's plans to integrate its proposed new clearing operations in some respects with its established exchange clearing operations.

Copies of the Petition are available for inspection at the Office of the Secretariat at the above address. Copies also may be obtained through the Office of the Secretariat at the above address or by telephone at 202-418-5100 or on the Commission's Internet web site (<http://www.cftc.gov>).

Issued in Washington, DC, on June 30, 1998 by the Commission.

**Jean A. Webb,**

Secretary of the Commission.

[FR Doc. 98-17922 Filed 7-6-98; 8:45 am]

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## DEPARTMENT OF DEFENSE

### Office of the Secretary

#### Proposed Collection; Comment Request

**AGENCY:** Washington Headquarters Services, Real Estate and Facilities, Defense Protective Services.

**ACTION:** Notice.

In compliance with Section 3506(c)(2)(A) of the Paperwork Reduction Act of 1995, the Washington

<sup>2</sup> Petition at 2.

<sup>3</sup> Id.

<sup>4</sup> Id. at 14.

<sup>5</sup> Id. at 12-13.

<sup>6</sup> Id. at 9.

<sup>7</sup> Id.

<sup>8</sup> Id. at 10.

<sup>9</sup> Id. at 15-17.

<sup>10</sup> Id. at 17-18.

<sup>11</sup> Id. at 19.

<sup>12</sup> Id. at 21-22.

<sup>13</sup> Id. at 23.

<sup>14</sup> Id. at 23-33.

<sup>15</sup> Id. at 34-39.

<sup>16</sup> Id. at 39-42.

<sup>17</sup> See 63 FR 26114, 26122-26123 (May 12, 1998).

<sup>1</sup> 7 U.S.C. 6(c).

Headquarters Services announces the proposed extension of 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 September 8, 1998.

**ADDRESSES:** Written comments and recommendations on the proposed information collection should be sent to the Department of Defense, Washington Headquarters Services, Real Estate and Facilities Directorate, Defense Protective Services, ATTN: Mr. Barry Jones, Room 2E170A, 1155 Defense Pentagon, Washington, DC 20301-1155.

**FOR FURTHER INFORMATION CONTACT:** To request more information on this proposed information collection or to obtain a copy of the proposal and associated collection instrument, please write to the above address, or call Security Services, Defense Protective Services, Washington Headquarters Services, at (703) 695-4668.

*Title, Associated Form, and OMB Number:* DoD Building Pass Application; DD Form 2249; OMB Number 0704-0328.

*Needs and Uses:* The information is used by officials of Security Services, Defense Protective Services, Washington Headquarters Services to maintain a listing of personnel who are authorized a DoD Building Pass.

*Affected Public:* Individuals or households; Business or other for-profit.

*Annual Burden Hours:* 10,200.

*Number of Respondents:* 102,000.

*Responses per Respondent:* 1.

*Average Burden per Response:* 6 minutes.

*Frequency:* On occasion.

#### **SUPPLEMENTARY INFORMATION:**

#### **Summary of Information Collection**

This requirement provides for the collection of information from

applicants for Department of Defense (DoD) Building Passes. The information collected from the DD Form 2249, "DoD Building Pass Application," is used to verify need and to issue a DoD Building Pass to DoD personnel, other authorized U.S. Government personnel, and DoD consultants and experts who regularly work in or require frequent and continuing access to DoD owned or occupied buildings in the National Capital Region.

Dated: June 30, 1998.

**Patricia L. Toppings,**

*Alternate OSD Federal Register Liaison Officer, Department of Defense.*

[FR Doc. 98-17847 Filed 7-6-98; 8:45 am]

BILLING CODE 5000-04-M

## **DEPARTMENT OF DEFENSE**

### **Office of the Secretary**

#### **Defense Partnership Council Meeting**

**AGENCY:** Department of Defense.

**ACTION:** Notice of Meeting.

**SUMMARY:** The Department of Defense (DoD) announces a meeting of the Defense Partnership Council. Notice of this meeting is required under the Federal Advisory Committee Act. This meeting is open to the public. The topics to be covered will include matters related to the enhancement of Labor-Management Partnerships throughout DoD.

**DATES:** The meeting is to be held July 22, 1998, in room 1E801, Conference Room 7, the Pentagon, from 1:00 p.m. until 3:00 p.m. Comments should be received by July 15, 1998, in order to be considered at the July 22 meeting.

**ADDRESSES:** We invite interested persons and organizations to submit written comments or recommendations. Mail or deliver your comments or recommendations to Mr. Kenneth Oprisko at the address shown below. Seating is limited and available on a first-come, first-serve basis. Individuals wishing to attend who do not possess an appropriate Pentagon building pass should call the below listed telephone number to obtain instructions for entry into the Pentagon. Handicapped individuals wishing to attend should also call the below listed telephone number to obtain appropriate accommodations.

**FOR FURTHER INFORMATION CONTACT:** Mr. Kenneth Oprisko, Chief, Labor Relations

Branch, Field Advisory Services Division, Defense Civilian Personnel Management Service, 1400 Key Blvd, Suite B-200, Arlington, VA 22209-5144, (703) 696-6301, ext. 704.

Dated: June 29, 1998.

**L.M. Bynum,**

*Alternate OSD Federal Register Liaison Officer, Department of Defense.*

[FR Doc. 98-17848 Filed 7-6-98; 8:45 am]

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## **DEPARTMENT OF DEFENSE**

### **Office of the Secretary**

#### **Defense Science Board 1998 Summer Study Task Forces on Joint Operations Superiority in the 21st Century, and DoD Logistics Transformation**

**AGENCY:** Notice of Advisory Committee Meetings.

**SUMMARY:** The Defense Science Board 1998 Summer Study Task Forces on Joint Operations Superiority in the 21st Century, and DoD Logistics Transformation will meet in closed session on August 3-14, 1998 at the Beckman Center, Irvine, California.

The mission of the Defense Science Board is to advise the Secretary of Defense through the Under Secretary of Defense for Acquisition and Technology on scientific and technical matters as they affect the perceived needs of the Department of Defense. At these meetings the Task Forces will focus on how new capabilities, operational concepts, and different force characteristics can be developed and integrated to underwrite Joint Vision 2010; and focus on providing the warfighter with responsive logistic support across the range of missions, threats, and environments DoD is likely to face in the 21st Century.

In accordance with Section 10(d) of the Federal Advisory Committee Act, Pub. L. 92-463, as amended (5 U.S.C. App. II, (1994)), it has been determined that these DSB Task Force meetings concern matters listed in 5 U.S.C. 552b(c)(1) (1994), and that accordingly these meeting will be closed to the public.

Dated: June 30, 1998.

**L.M. Bynum,**

*Alternate OSD Federal Register Liaison Officer, Department of Defense.*

[FR Doc. 98-17852 Filed 7-6-98; 8:45 am]

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