address this issue. The final rule explicitly prohibits any ''[a]ctivities not carried out in the regular course of business and willfully designed to circumvent calculation at month-end to evade meeting the definition of material swaps exposure . . . .'' [7] The addition of this language to the final rule's regulatory text will help ensure that CFTC efforts at international harmonization will not come at the expense of the safety and soundness of the U.S. financial system.[8] I thank the Chairman and the CFTC staff for working with my office to include this provision.

The MSE and Initial Margin Final Rule will also allow SDs and MSPs for which there is no prudential regulator (''Covered Swap Entities'' or ''CSEs'') to rely on the initial margin calculations of the more sophisticated counterparties with whom they transact swaps to manage their risks. This flexibility is limited to circumstances where a CSE enters into uncleared swaps with an SD, MSP, or swap entity to hedge its customer-facing swaps. This amendment to the Commission's existing rules could help promote liquidity and competition in swaps markets by increasing choice for end-users that are CSE customers.

The MSE and Initial Margin Final Rule provides helpful direction regarding the scope of hedging swaps for purposes of relying on a CSE counterparty's initial margin calculations. As set forth in the preamble to the final rule, a hedging swap must be consistent (although not identical) with the statutory definition of ''bona fide hedging transaction or position'' in CEA section 4a(c)(2)(B).[9] The final rule also makes clear that existing Commission regulations require a CSE that relies on its counterparty's initial margin calculations to also take steps to ''monitor, identify, and address potential shortfalls in the amounts of [initial margin] generated by the counterparty on whose [initial margin] model the CSE is relying.'' [10]

III. MTA Final Rule

To reduce operational burdens associated with de minimis margin transfers, the Margin Rule provides that a CSE is not required to collect or post margin until the combined amount of initial margin and variation margin that is required to be collected or posted and that has not been collected or posted with respect to the counterparty exceeds $500,000—the MTA.[11] This MTA level, in part, helps limit the amount of a counterparty's uncollateralized, uncleared swaps exposure and mitigate any systemic risk arising from such swaps.

The MTA Final Rule addresses the application of the $500,000 MTA level to a counterparty's ''separately managed accounts,'' as well as the use of separate MTAs for initial and variation margin.[12] The MTA Final Rule codifies separate treatment for separately managed accounts and permits an MTA of $50,000 for each such account of a counterparty. This approach responds to practical limits on the ability of asset managers, for example, to aggregate initial and variation margin obligations across multiple separately managed accounts owned by the same counterparty. The MTA Final Rule also provides that if certain entities agree to separate MTAs for initial margin and variation margin, the respective amounts of MTA must be reflected in their required margin documentation.

These new provisions balance concerns over operational inefficiencies and practical challenges in the Commission's MTA rules against concerns that they may result in the exchange of less total margin than would be the case under the Commission's current requirements. Comments in response to the proposed rule noted the difficulties that would be associated with creating numerous separately managed accounts solely to evade the comparatively low $50,000 MTA for separately managed accounts. The MTA Final Rule also defines separately managed account so that the swaps of such account are not subject to a netting of initial or variation margin obligations. This potentially provides further disincentive to create separately managed accounts solely for the purpose of evading the $50,000 MTA level for such accounts.

IV. Conclusion

Mitigating systemic risk to the U.S. financial system was a primary objective of the Dodd-Frank Act in 2010, and of subsequent Commission rulemakings to implement Dodd-Frank, including the Margin Rule adopted in 2016. The Commission must remain committed to the Margin Rule and vigilant for any large pool of uncollateralized, uncleared swaps exposure. Today's targeted final rules, which codify existing practices, include embedded backstops, and provide tailored operational enhancements to the Margin Rule, are unlikely to present systemic risks.

I thank staff of the Market Participants Division for their work on these final rules.

[FR Doc. 2020–27508 Filed 1–22–21; 8:45 am]

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[7] MSE and Initial Margin Final Rule at new § 23.151 (defining ''Material Swaps Exposure'').

[8] The preamble to the MSE and Initial Margin Final Rule also notes an analysis by the CFTC's Office of the Chief Economist indicating that the new month-end AANA calculation method captures substantially the same entities and total number of entities as the Commission's previous daily AANA calculation method. As with any rulemaking, the Commission is free in the future to periodically review its data and confirm that the new AANA calculation method is performing as expected.

[9] 7 U.S.C. 6a(c)(2).

[10] MSE and Initial Margin Final Rule at section II(B).

[11] 17 CFR 23.151.

[12] Both aspects of the MTA Final Rule were the subject of CFTC staff no-action letters issued in 2017 and 2019, respectively.

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 679

[Docket No. 200221–0062; RTID 0648–XA805]

Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Cod by Catcher Vessels Using Trawl Gear in the Western Regulatory Area of the Gulf of Alaska

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Temporary rule; modification of closure.

SUMMARY: NMFS is opening directed fishing for Pacific cod by catcher vessels using trawl gear in the Western Regulatory Area of the Gulf of Alaska (GOA). This action is necessary to fully use the A season allowance of the 2021 total allowable catch (TAC) of Pacific cod by catcher vessels using trawl gear in the Western Regulatory Area of the GOA.

DATES: Effective 1200 hrs, Alaska local time (A.l.t.), January 20, 2021, through 1200 hrs, A.l.t., June 10, 2021. Comments must be received at the following address no later than 4:30 p.m., A.l.t., February 3, 2021.

ADDRESSES: Submit your comments, identified by NOAA–NMFS–2019–0102 by any of the following methods:

- *Federal e-Rulemaking Portal:* Go to *www.regulations.gov/#!docketDetail;D=NOAA-NMFS-2019-0102,* click the ''Comment Now!'' icon, complete the required fields, and enter or attach your comments.
- *Mail:* Submit written comments to Glenn Merrill, Assistant Regional Administrator, Sustainable Fisheries Division, Alaska Region NMFS, Attn: Records. Mail comments to P.O. Box 21668, Juneau, AK 99802–1668.

Instructions: NMFS may not consider comments if they are sent by any other method, to any other address or individual, or received after the comment period ends. All comments received are a part of the public record, and NMFS will post the comments for public viewing on *www.regulations.gov* without change. All personal identifying information (*e.g.,* name, address), confidential business information, or otherwise sensitive information submitted voluntarily by the sender will be publicly accessible. NMFS will accept anonymous comments (enter

''N/A'' in the required fields if you wish to remain anonymous).

FOR FURTHER INFORMATION CONTACT: Krista Milani, 907–581–2062.

SUPPLEMENTARY INFORMATION: NMFS manages the groundfish fishery in the GOA exclusive economic zone according to the Fishery Management Plan for Groundfish of the Gulf of Alaska (FMP) prepared by the North Pacific Fishery Management Council under authority of the Magnuson-Stevens Fishery Conservation and Management Act. Regulations governing fishing by U.S. vessels in accordance with the FMP appear at subpart H of 50 CFR part 600 and 50 CFR part 679.

The A season allowance of the 2021 Pacific cod TAC apportioned to catcher vessels using trawl gear in the Western Regulatory Area of the GOA is 1,701 metric tons (mt) as established by the final 2020 and 2021 harvest specifications for groundfish in the GOA (85 FR 13802, March 10, 2020) and inseason adjustment (85 FR 83834, December 23, 2020).

NMFS closed directed fishing for Pacific cod TAC apportioned to catcher vessels using trawl gear in the Western Regulatory Area of the GOA under § 679.20(d)(1)(iii) on January 20, 2021 (85 FR 13802, March 10, 2020).

As of January 20, 2021, NMFS has determined that approximately 1,701 metric tons (mt) remain of the Pacific cod TAC apportioned to catcher vessels using trawl gear in the Western Regulatory Area of the GOA. Therefore, in accordance with § 679.25(a)(1)(i), (a)(2)(i)(C), and (a)(2)(iii)(D), and to fully utilize the A season allowance of the 2021 TAC of Pacific apportioned to catcher vessels using trawl gear in the Western Regulatory Area of the GOA, NMFS is terminating the previous closure and is reopening directed fishing for Pacific cod apportioned to catcher vessels using trawl gear in the Western Regulatory Area of the GOA, effective 1200 hours, A.l.t., January 20, 2021.

The Administrator, Alaska Region (Regional Administrator) considered the following factors in reaching this decision: (1) The catch of Pacific cod apportioned to catcher vessels using trawl gear in the Western Regulatory Area of the GOA and, (2) the harvest capacity and stated intent on future harvesting patterns of vessels in participating in this fishery.

Classification

NMFS issues this action pursuant to section 305(d) of the Magnuson-Stevens Act. This action is required by 50 CFR part 679, which was issued pursuant to section 304(b), and is exempt from review under Executive Order 12866.

Pursuant to 5 U.S.C. 553(b)(B), there is good cause to waive prior notice and an opportunity for public comment on this action, as notice and comment would be impracticable and contrary to the public interest, as it would prevent NMFS from responding to the most recent fisheries data in a timely fashion and would delay the opening of Pacific cod by catcher vessels using trawl gear in the Western Regulatory Area of the GOA. NMFS was unable to publish a notice providing time for public comment because the most recent, relevant data only became available as of January 14, 2021.

Authority: 16 U.S.C. 1801 *et seq.*

Dated: January 15, 2021.

Kelly Denit,

Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 2021–01434 Filed 1–19–21; 4:15 pm]

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