

Hunger-Free Kids Act of 2010 (HHFKA), Public Law 111–296, that affect the integrity of the Child Nutrition Programs, including the National School Lunch Program (NSLP), the Special Milk Program for Children (SMP), the School Breakfast Program (SBP), the Summer Food Service Program (SFSP), the Child and Adult Care Food Program (CACFP), and State Administrative Expense Funds (SAE). In addition, this rule would incorporate policy changes resulting from several findings from recently conducted targeted management evaluations of the CACFP by the Food and Nutrition Service (FNS), and USDA Office of Inspector General audit findings, as well as other miscellaneous revisions to the regulations. The rule is intended to improve the integrity of all Child Nutrition Programs.

USDA anticipates that the provisions under this proposed rule would be implemented 90 days following publication of the final rule, with the exception of those related to CACFP audit funds and those related to assessments against State agencies and program operators. The provision granting eligible State agencies additional CACFP audit funds will be implemented upon publication of the final rule. Because States and school districts have been working diligently to implement the provisions of the Healthy, Hunger-Free Kids Act, USDA anticipates that the provision establishing criteria for assessments against State agencies and program operators would be implemented one school year following publication of the final rule to provide entities the time they need to complete successful implementation.

#### *Summary of the Major Provisions of the Regulatory Action*

The major provisions addressed in this rule are:

**Section 303 of the HHFKA: Fines for Violating Program Requirements**—Section 303 of the HHFKA requires the Secretary to establish criteria for the imposition of fines in the Child Nutrition Programs, referred to as assessments in this proposed rule. An assessment refers to a required payment of funds from non-Federal sources. Under section 303, the Secretary or a State agency may establish an assessment against any school food authority or school administering the Child Nutrition Programs if the Secretary or the State agency determines that the school or school food authority failed to correct severe mismanagement of any program, failed to correct repeated violations of program

requirements, or disregarded a requirement of which they have been informed. Section 303 also provides the Secretary the authority to establish an assessment against any State agency if the Secretary determines the State agency has failed to correct severe mismanagement of any program, failed to correct repeated violations of program requirements, or disregarded a requirement of which they have been informed.

**Section 322 of the HHFKA: SFSP Disqualification**—Section 322 requires the Secretary to establish procedures for the termination and disqualification of entities participating in the SFSP, to maintain a list of entities that have been terminated or disqualified from SFSP, and to make this list available to States for use in approving or renewing service institutions' applications for SFSP participation.

**Section 331(b) of the HHFKA: State Agency/Sponsor Review Requirements in the CACFP**—Section 331(b) requires the Secretary to develop for State agencies additional criteria or priorities for use in choosing institutions for review, including institutions at risk of having serious management problems and institutions conducting activities other than the CACFP.

**Section 332 of the HHFKA: State Liability for Payments to Aggrieved Child Care Institutions**—Section 332 requires State agencies to pay all valid claims for reimbursement, from non-Federal sources, if the required timeframes for a fair hearing are not met.

**Section 335 of the HHFKA: CACFP Audit Funding**—Section 335 allows the Department to increase the amount of audit funds made available to a CACFP State agency if the State agency demonstrates it can effectively use the funds to improve Program management in accordance with criteria established by the Department.

**Section 362 of the HHFKA: Disqualified Schools, Institutions, and Individuals**—Section 362 makes any school, institution, service institution, facility, or individual that has been terminated from any Child Nutrition Program and who is on the CACFP or SFSP National Disqualified List ineligible for participation in or administration of any Child Nutrition Program.

#### **Costs and Benefits**

While all entities—school food authorities, schools, institutions, sponsors sites, sponsoring organizations, day care centers and State agencies—administering Child Nutrition Programs will be affected by this

rulemaking, the economic effect is not expected to be significant as explained below.

The comment period for this proposed rule is extended until July 7, 2016 to provide additional time for interested parties to review and submit comments on this proposed rule.

Dated: June 2, 2016.

**Yvette S. Jackson,**

*Acting Administrator, Food and Nutrition Service.*

[FR Doc. 2016–13489 Filed 6–6–16; 8:45 am]

**BILLING CODE 3410–30–P**

## **DEPARTMENT OF COMMERCE**

### **Bureau of Industry and Security**

#### **15 CFR Parts 730, 747, 748, and 762**

**[Docket No. 160303182–6182–01]**

**RIN 0694–AG89**

#### **Amendment to the Export Administration Regulations: Removal of Special Iraq Reconstruction License**

**AGENCY:** Bureau of Industry and Security, Commerce.

**ACTION:** Proposed rule.

**SUMMARY:** In this rule, the Bureau of Industry and Security (BIS) proposes to amend the Export Administration Regulations (EAR) to remove the Special Iraq Reconstruction License (SIRL) from the EAR. The action, if published in final form, would further the objectives of the Retrospective Regulatory Review Initiative that directs BIS and other federal agencies to streamline regulations and reduce unnecessary regulatory burdens on the public. Specifically, the SIRL is outdated and seldom used by exporters, who now have more efficient options for exports and reexports to Iraq and transfers (in-country) in Iraq. This rule also makes conforming changes.

**DATES:** Comments must be received by July 7, 2016.

**ADDRESSES:** You may submit comments by any of the following methods:

- **Federal eRulemaking Portal:** <http://www.regulations.gov>. The identification number for this rulemaking is BIS–2016–0017.

- **By email directly to:** [publiccomments@bis.doc.gov](mailto:publiccomments@bis.doc.gov). Include RIN 0694–AG89 in the subject line.

- **By mail or delivery to Regulatory Policy Division, Bureau of Industry and Security, U.S. Department of Commerce, Room 2099B, 14th Street and Pennsylvania Avenue NW., Washington, DC 20230.** Refer to RIN 0694–AG89.

**FOR FURTHER INFORMATION CONTACT:**

Thomas Andrukonis, Director, Export Management and Compliance Division, Office of Exporter Services, Bureau of Industry and Security, by telephone at (202) 482-8016 or by email at [Thomas.Andrukonis@bis.doc.gov](mailto:Thomas.Andrukonis@bis.doc.gov).

**SUPPLEMENTARY INFORMATION:****Background**

In this rule, the Bureau of Industry and Security (BIS) proposes to continue to advance the President's directives in the Retrospective Regulatory Review Initiative to streamline regulations, reduce unnecessary regulatory burdens on the public and modernize export controls. (See "Improving Regulatory Review" (Executive Order 13563 of January 18, 2011). Consistent with these directives and objectives, in this rule, BIS proposes to remove the Special Iraq Reconstruction License (SIRL) from the Export Administration Regulations (EAR).

BIS established the SIRL in 2004 (69 FR 46070, July 30, 2004) to supplement options to facilitate exports and reexports to Iraq and transfers within Iraq of items in furtherance of civil reconstruction and other projects in Iraq funded by specified entities, including the United States government. At the time of its establishment, SIRL was intended to benefit the public by allowing for faster processing times as compared to individual license applications, and longer license validity periods, which would extend to the completion or discontinuation of the associated reconstruction project (in contrast, individual license applications generally only had a two-year validity period). However, exporters supplying items used in support of the civil reconstruction efforts in Iraq have not relied on the SIRL to advance those efforts, apparently because of its complexity and narrowness.

Since 2004, BIS has processed only three applications for the SIRL, and granted only one approval, as compared to over 400 approved individual license applications for items to Iraq between 2012 and 2015. A SIRL applicant must provide details regarding the items to be exported or reexported to or transferred within Iraq, a narrative statement to identify all parties to the transaction, and a description of the reconstruction project that formed the basis of the transaction. In addition, the applicant must provide separate written statements from all agencies providing funding, and certification that all parties to the transaction will obtain licenses prior to transferring the items on the license application within Iraq or reexporting the items to end users not

authorized under the SIRL. SIRL holders must submit reports when the Iraq project is discontinued or is completed and must get approval from BIS to make specified changes to the respective SIRL. These requirements are numerous compared to the individual license application process or the use of other authorizations such as eligible license exceptions, resulting in exporters choosing to apply for or use individual licenses and other authorizations under the EAR to ship items to Iraq instead of the SIRL.

In addition, with the implementation of updates to the EAR, the relative advantages of the SIRL have been offset by changes to individual licenses and other types of authorizations offered by BIS that provide less complex alternatives to the SIRL. For example, in addition to streamlined procedures for submitting license applications and improved processing times, BIS now issues individual licenses with a four-year validity period, with agency consideration of requests to extend the validity period. Similarly, most individual licenses now do not include a requirement for reports on the authorized items exported or reexported. Additionally, license exceptions such as License Exception Temporary imports, exports, and reexports, and transfers (in-country) (TMP) (Section 740.9 of the EAR) have been expanded. (TMP now includes authorizations for temporary exports to a U.S. person's foreign subsidiary, affiliates, or facility abroad outside of Country Group B. Additionally, BIS will, upon request, authorize the retention of items abroad that were exported under License Exception TMP beyond one year and up to a total of four years.)

Thus, the SIRL has proven not to be useful. Its removal from the EAR is consistent with and would advance regulatory initiatives priorities. As part of the removal, this rule also would make conforming changes in the EAR.

**Export Administration Act**

Although the Export Administration Act expired on August 20, 2001, the President, through Executive Order 13222 of August 17, 2001, 3 CFR, 2001 Comp., p. 783 (2002), as amended by Executive Order 13637 of March 8, 2013, 78 FR 16129 (March 13, 2013) and as extended by the Notice of August 7, 2015, 80 FR 48233 (August 11, 2015), has continued the Export Administration Regulations in effect under the International Emergency Economic Powers Act. BIS continues to carry out the provisions of the Export Administration Act, as appropriate and

to the extent permitted by law, pursuant to Executive Order 13222 as amended by Executive Order 13637.

**Rulemaking Requirements**

1. Executive Orders 13563 and 12866 direct agencies to assess all 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, reducing costs, harmonizing rules, and promoting flexibility. This rule has been determined to be not significant for purposes of Executive Order 12866.

2. This rule amends collections previously approved by the Office of Management and Budget (OMB) under Control Numbers 0694-0088, "Simplified Network Application Processing + System (SNAP+) and the Multi-Purpose Application," which carries a burden hour estimate of 43.8 minutes to prepare and submit form BIS-748; and 0694-0137, "License Exemptions and Exclusions."

The total burden hours associated with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) (PRA) and the aforementioned OMB Control Numbers would be expected to decrease as a result of this proposed removal of part 747 of the EAR and related provisions if the rule is eventually issued in final form, thereby reducing burden hours associated with approved collections related to the EAR.

Public comment is sought regarding: whether the collection of information, for the provisions BIS proposes to remove, is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; the accuracy of the burden estimate; ways to enhance the quality, utility, and clarity of the information to be collected; and ways to minimize the burden of the collection of information, including through the use of automated collection techniques or other forms of information technology. Send comments on these or any other aspects of the collection of information to Regulatory Policy Division, Bureau of Industry and Security, U.S. Department of Commerce at the **ADDRESSES** above, and email to [OMB at OIRA\\_Submission@omb.eop.gov](mailto:OMB at OIRA_Submission@omb.eop.gov), or fax to (202) 395-7285.

Notwithstanding any other provision of the law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply

with, a collection of information subject to the requirements of the PRA, unless that collection of information displays a currently valid OMB Control Number.

3. This rule does not contain policies with Federalism implications as that term is defined under Executive Order 13132.

4. Regulatory Flexibility Act of 1980 (5 U.S.C. 601 *et seq.*). The Chief Counsel for Regulation of the Department of Commerce has certified to the Chief Counsel for Advocacy of the Small Business Administration that this proposed rule, if adopted in final form, would not have a significant economic impact on a substantial number of small entities.

**Economic Impact.** BIS believes this rule would have no economic impact, because, although this rule would eliminate the availability of the SIRL, entities are not using the SIRL. Moreover, they could still obtain individual validated licenses from BIS to export their product(s). The individual validated licenses that BIS issues are generally less burdensome and require fewer compliance/reporting measures than the measures required for a SIRL. For example, a SIRL applicant must provide a narrative statement to identify all parties to the transaction, and a description of the reconstruction project. In addition, the applicant must provide separate written statements for all participating agencies and certification that all parties to the transaction will obtain licenses prior to transferring items within Iraq or reexporting items outside of Iraq for end users not authorized under the SIRL. SIRL holders must submit reports when the Iraq project is discontinued or is completed and must get prior approval for any changes to their SIRL. Although these requirements may be included as conditions on an individual validated license, BIS's license applications review process for individual validated licenses includes other methods, less burdensome on the exporter, to vet the bona fides of parties to the proposed transaction and to verify compliance. Also, impacted entities would have the convenience of applying for a license via the Simplified Network Application Process-Redesign (SNAP-R) System, an updated system for electronically filing

export and reexport license applications, which is not available for the submission of SIRL applications. Finally, the historical lack of usage of the SIRL does not warrant maintaining such a complex option.

**Number of Small Entities.** Since the SIRL's introduction in 2004, there have been only three applications for it, with only one application approved. Due to the nature of the SIRL and the complexity of its requirements, BIS expects that past applicants would be considered large entities under the Small Business Administration's size standards. However, BIS does not collect data on the size or annual revenue of these entities, and thus some of these entities may be considered small under the SBA size standards. Also, although small entities likely would not be the direct or the primary users of the SIRL, BIS acknowledges that small entities may have been parties to SIRL transactions. To assist in the evaluation of a significant economic impact of this rule on a substantial number of small entities, BIS welcomes comments to explain how and to what extent your business or organization could be affected, if your business or organization is a small entity and if adoption of any of the amendments discussed in this proposed rulemaking could have a significant financial impact on your operations.

#### List of Subjects

##### 15 CFR Part 730

Administrative practice and procedure, Advisory committees, Exports, Reporting and recordkeeping requirements, Strategic and critical materials.

##### 15 CFR Part 747

Administrative practice and procedure, Exports, Foreign trade, Reporting and recordkeeping requirements.

##### 15 CFR Part 748

Administrative practice and procedure, Exports, Reporting and recordkeeping requirements.

##### 15 CFR Part 762

Administrative practice and procedure, Business and industry,

Confidential business information, Exports, Reporting and recordkeeping requirements.

Accordingly, parts 730, 747, 748 and 762 of the Export Administration Regulations (15 CFR parts 730–774) are amended as follows:

#### PART 730—[AMENDED]

■ 1. The authority citation for part 730 continues to read as follows:

**Authority:** 50 U.S.C. 4601 *et seq.*; 50 U.S.C. 1701 *et seq.*; 10 U.S.C. 7420; 10 U.S.C. 7430(e); 22 U.S.C. 287c; 22 U.S.C. 2151 note; 22 U.S.C. 3201 *et seq.*; 22 U.S.C. 6004; 30 U.S.C. 185(s), 185(u); 42 U.S.C. 2139a; 43 U.S.C. 1354; 15 U.S.C. 1824a; 50 U.S.C. 4305; 22 U.S.C. 7201 *et seq.*; 22 U.S.C. 7210; E.O. 11912, 41 FR 15825, 3 CFR, 1976 Comp., p. 114; E.O. 12002, 42 FR 35623, 3 CFR, 1977 Comp., p. 133; E.O. 12058, 43 FR 20947, 3 CFR, 1978 Comp., p. 179; E.O. 12214, 45 FR 29783, 3 CFR, 1980 Comp., p. 256; E.O. 12851, 58 FR 33181, 3 CFR, 1993 Comp., p. 608; E.O. 12854, 58 FR 36587, 3 CFR, 1993 Comp., p. 179; E.O. 12918, 59 FR 28205, 3 CFR, 1994 Comp., p. 899; E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; E.O. 12947, 60 FR 5079, 3 CFR, 1995 Comp., p. 356; E.O. 12981, 60 FR 62981, 3 CFR, 1995 Comp., p. 419; E.O. 13020, 61 FR 54079, 3 CFR, 1996 Comp., p. 219; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; E.O. 13099, 63 FR 45167, 3 CFR, 1998 Comp., p. 208; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; E.O. 13224, 66 FR 49079, 3 CFR, 2001 Comp., p. 786; E.O. 13338, 69 FR 26751, 3 CFR, 2004 Comp., p. 168; E.O. 13637, 78 FR 16129, 3 CFR, 2014 Comp., p. 223; Notice of May 6, 2015, 80 FR 26815 (May 8, 2015); Notice of August 7, 2015, 80 FR 48233 (August 11, 2015); Notice of September 18, 2015, 80 FR 57281 (September 22, 2015); Notice of November 12, 2015, 80 FR 70667 (November 13, 2015); Notice of January 20, 2016, 81 FR 3937 (January 22, 2016).

#### Supplement No. 1 to Part 730—[Amended]

■ 2. Supplement No. 1 to Part 730 is amended by revising the entry for Collection number “0694–0129”. The revision reads as follows:

#### SUPPLEMENT NO. 1 TO PART 730— INFORMATION COLLECTION REQUIREMENTS UNDER THE PAPERWORK REDUCTION ACT: OMB CONTROL NUMBERS

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Collection No.	Title	Reference in the EAR
* * * * *		
0694–0129	Export and Reexport Controls For Iraq	§§ 732.3, 738, 744.18, 746.3(b)(1), 750, 758, 762, 772, 774.

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**PART 747—[REMOVED AND RESERVED]**

- 3. Remove and reserve part 747.

**PART 748—[AMENDED]**

- 4. The authority citation for part 748 continues to read as follows:

**Authority:** 50 U.S.C. 4601 *et seq.*; 50 U.S.C. 1701 *et seq.*; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; Notice of August 7, 2015, 80 FR 48233 (August 11, 2015).

**§ 748.1—[Amended]**

- 5. Section 748.1 is amended by removing the parenthetical phrase “(other than Special Iraq Reconstruction License applications)” from the first sentence of paragraph (d).

**§ 748.7—[Amended]**

- 6. Section 748.7 is amended by removing the parenthetical phrase “(other than Special Iraq Reconstruction Licenses)” from paragraphs (a) and (d).

**PART 762—[AMENDED]**

- 7. The authority citation for part 762 continues to read as follows:

**Authority:** 50 U.S.C. 4601 *et seq.*; 50 U.S.C. 1701 *et seq.*; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; Notice of August 7, 2015, 80 FR 48233 (August 11, 2015).

**§ 762.2—[Amended]**

- 8. Section 762.2 is amended by removing and reserving paragraph (b)(17).

Dated: June 1, 2016.

Kevin J. Wolf,

Assistant Secretary for Export Administration.

[FR Doc. 2016-13397 Filed 6-6-16; 8:45 am]

BILLING CODE 3510-33-P

**COMMODITY FUTURES TRADING COMMISSION****17 CFR Parts 1, 38, 40, and 170**

RIN 3038-AD52

**Public Staff Roundtable on Elements of Regulation Automated Trading; Reopening of Comment Period**

**AGENCY:** Commodity Futures Trading Commission.

**ACTION:** Notice of staff roundtable discussion; reopening of comment period.

**SUMMARY:** On June 10, 2016, staff of the Commodity Futures Trading Commission (CFTC or Commission) will

hold a public roundtable meeting, at which invited participants will discuss specific elements of the Commission's notice of proposed rulemaking (NPRM) regarding Regulation Automated Trading (Regulation AT). The staff roundtable, which will be held at the Commission's Washington, DC, office, will commence at 9:00 a.m. and end at 4:00 p.m. Additional information, including the agenda, is available in the “Press Room” section of the Commission's Web site at [www.cftc.gov](http://www.cftc.gov). In conjunction with the staff roundtable on June 10, the Commission is reopening the comment period for specific elements of Regulation AT. This additional comment period is intended to accept public comments solely on the specific items in the agenda and that arise during the staff roundtable.

**DATES:** The staff roundtable will take place on Friday, June 10, 2016, commencing at 9:00 a.m. and ending at 4:00 p.m. The comment period will be reopened as of June 10, 2016, and will close on June 24, 2016.

**ADDRESSES:** *Roundtable:* The staff roundtable will take place in the Conference Center at the Commission's headquarters at Three Lafayette Centre, 1155 21st Street NW., Washington, DC.

*Comments:* Members of the public may submit comment letters, identified by RIN 3038-AD52, 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.

**FOR FURTHER INFORMATION CONTACT:** Regarding the staff roundtable, please contact the CFTC's Office of Public Affairs at (202) 418-5080. Regarding the proposed rules in Regulation AT, please contact Sebastian Pujol Schott, Associate Director, Division of Market Oversight (DMO), [sps@cftc.gov](mailto:sps@cftc.gov) or 202-418-5641; Marilee Dahlman, Special Counsel, DMO, [mdahlman@cftc.gov](mailto:mdahlman@cftc.gov) or 202-418-5264; Mark Schlegel, Special Counsel, DMO, [mschlegel@cftc.gov](mailto:mschlegel@cftc.gov) or 202-418-5055; Andrew Ridenour, Special Counsel, DMO, [aridenour@cftc.gov](mailto:aridenour@cftc.gov) or 202-418-5438; Joseph Otchin, Attorney Advisor, DMO,

[jotchin@cftc.gov](mailto:jotchin@cftc.gov) or 202-418-5623; Michael Penick, Economist, Office of the Chief Economist (OCE), [mpenick@cftc.gov](mailto:mpenick@cftc.gov) or 202-418-5279; Richard Haynes, Supervisory Research Analyst, OCE, [rhaynes@cftc.gov](mailto:rhaynes@cftc.gov) or 202-418-5063; Carlin Metzger, Trial Attorney, Division of Enforcement, [cmetzger@cftc.gov](mailto:cmetzger@cftc.gov) or 312-596-0536; or John Dunfee, Assistant General Counsel, Office of General Counsel, [jdunfee@cftc.gov](mailto:jdunfee@cftc.gov) or 202-418-5396.

**SUPPLEMENTARY INFORMATION:****I. Background**

The Commission's NPRM for Regulation Automated Trading was published in the **Federal Register** on December 17, 2015 (80 FR 78824). The NPRM was open for a 90-day comment period, from December 17, 2015 through March 16, 2016. The comment file for Regulation AT is available at: <http://comments.cftc.gov/PublicComments/CommentList.aspx?id=1646>.

**II. Staff Roundtable Agenda**

The staff roundtable<sup>1</sup> on June 10, 2016 will address the following items: (1) potential amendments to the proposed definition of “Direct Electronic Access” (DEA), consistent with and in furtherance of Regulation AT's proposed registration regime; (2) potential quantitative measures to establish the population of AT Persons; (3) a potential alternative to Regulation AT's requirements for AT Persons in proposed §§ 1.80, 1.81, and 1.83(a), which alternative could require that FCMs impose specific requirements on their customers and perform due diligence regarding customers' compliance; (4) AT Persons' compliance with Regulation AT's proposed requirements for Algorithmic Trading and Algorithmic Trading systems when using third-party algorithms or systems; and (5) source code access and retention.

The staff roundtable will be open to the public with seating on a first-come, first-served basis, and will take place in the Conference Center at the Commission's headquarters at Three Lafayette Centre, 1155 21st Street, NW., Washington, DC. Members of the public may also listen by telephone. Call-in participants should be prepared to provide their first name, last name, and affiliation. The information for the conference call may be found on the CFTC's Web site at [www.cftc.gov](http://www.cftc.gov).

<sup>1</sup> See “CFTC Staff to Hold Roundtable on Certain Elements of Regulation AT,” (May 27, 2016), available at: <http://www.cftc.gov/PressRoom/PressReleases/pr7377-16>.