I. Introduction

In accordance with 39 U.S.C. 3642 and 39 CFR 3020.30–35, the Postal Service filed a formal request and associated supporting information to add Priority Mail Contract 214 to the competitive product list. ¹

The Postal Service contemporaneously filed a redacted contract related to the proposed new product under 39 U.S.C. 3632(b)(3) and 39 CFR 3015.5. Request, Attachment B.

To support its Request, the Postal Service filed a copy of the contract, a copy of the Governors’ Decision authorizing the product, proposed changes to the Mail Classification Schedule, a Statement of Supporting Justification, a certification of compliance with 39 U.S.C. 3633(a), and an application for non-public treatment of certain materials. It also filed supporting financial workpapers.

II. Notice of Commission Action

The Commission establishes Docket Nos. MC2016–131 and CP2016–167 to consider the Request pertaining to the proposed Priority Mail Contract 214 product and the related contract, respectively.

The Commission invites comments on whether the Postal Service’s filings in the captioned dockets are consistent with the policies of 39 U.S.C. 3632, 3633, or 3642, 39 CFR part 3015, and 39 CFR part 3020, subpart B. Comments are due no later than May 23, 2016. The public portions of these filings can be accessed via the Commission’s Web site (http://www.prc.gov).

The Commission appoints Curtis E. Kidd to serve as Public Representative in these dockets.

III. Order

It is ordered:


2. Pursuant to 39 U.S.C. 505, Curtis E. Kidd is appointed to serve as an officer of the Commission to represent the interests of the general public in these proceedings (Public Representative).

3. Comments are due no later than May 23, 2016.

4. The Secretary shall arrange for publication of this order in the Federal Register.

¹ Request of the United States Postal Service to Add Priority Mail Contract 214 to Competitive Product List and Notice of Filing (Under Seal) of Unredacted Governors’ Decision, Contract, and Supporting Data, May 13, 2016 [Request].
SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–77838; File No. SR–NYSE–2016–33]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Adopting New NYSE Rules 2090 (Know Your Customer) and 2111 (Suitability) That Are Substantially Similar to FINRA Rules 2090 and 2111 and Deleting Current Rule 405 and the Related NYSE Rule Interpretation To Harmonize Its Rules With Certain Financial Industry Regulatory Authority, Inc. Rules

May 16, 2016.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act” or “Exchange Act”) and Rule 19b–4 thereunder, notice is hereby given that on May 3, 2016, New York Stock Exchange LLC (“NYSE” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been substantially prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes: (1) Adopting new NYSE Rules 2090 (Know Your Customer) and 2111 (Suitability) that are substantially similar to FINRA Rules 2090 (Know Your Customer) and 2111 (Suitability); (2) deleting current Rule 405 (Diligence as to Accounts) and the related NYSE Rule Interpretation in order to harmonize its rules with certain Financial Industry Regulatory Authority, Inc. (“FINRA”) rules; and (3) making other conforming changes.

The proposed rule change is available on the Exchange’s Web site at www.nyse.com, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend its rules to harmonize with certain FINRA rules. Specifically, the Exchange proposes: (1) Adopting new NYSE Rules 2090 and 2111 that are substantially similar to FINRA Rules 2090 and 2111; (2) deleting Rule 405 and the related NYSE Rule Interpretation; and (3) making other conforming changes.

Background

In 2007, the Exchange and FINRA entered into an agreement (the “Agreement”) pursuant to Rule 17d–2 under the Act to reduce regulatory duplication by allocating to FINRA certain regulatory responsibilities for NYSE rules and rule interpretations (“FINRA Incorporated NYSE Rules”). In order to reduce regulatory duplication and relieve firms that are both members of the Exchange and FINRA of conflicting or unnecessary regulatory burdens, FINRA has been reviewing and amending the NASD and FINRA Incorporated NYSE Rules in order to create a consolidated FINRA rulebook.

References to “Rules” are to NYSE Rules unless otherwise indicated.

5 NYSE Regulation, Inc., a former not-for-profit subsidiary of the Exchange, was also a party to the Agreement by virtue of the fact that it performed regulatory functions for the Exchange pursuant to a delegation agreement. See Exchange Act Release No. 53382 (Feb. 27, 2006), 71 FR 11251, 11264–65 (Mar. 6, 2006) (SR–NYSE–2005–77) (approving delegation agreement). The delegation agreement terminated on February 16, 2016, and NYSE Regulation has ceased providing regulatory services to the Exchange, which has re-integrated its regulatory functions.


FINRA’s rulebook currently has three sets of rules: (1) NASD Rules; (2) FINRA Incorporated NYSE Rules; and (3) consolidated FINRA Rules. The FINRA Incorporated NYSE Rules apply only to those members of FINRA that are also members of the NYSE (“Dual Members”), while the consolidated FINRA Rules apply to all FINRA