

only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the Proposed Rule Changes that are filed with the Commission, and all written communications relating to the Proposed Rule Changes between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filings also will be available for inspection and copying at the principal office of DTCC and on DTCC's Web site (<http://dtcc.com/legal/sec-rule-filings.aspx>). All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-DTC-2016-007, SR-FICC-2016-005, or SR-NSCC-2016-003 and should be submitted on or before January 3, 2017.

#### IV. Accelerated Approval of the Proposed Rule Changes, as Modified by Amendments No. 1

The Commission, pursuant to Section 19(b)(2) of the Act,<sup>24</sup> finds good cause to approve the Proposed Rule Changes, as modified by Amendments No. 1, prior to the thirtieth day after the date of publication of Amendments No. 1 in the **Federal Register**. In Amendments No. 1, the Clearing Agencies make a technical correction to the Clearing Agency Investment Policy. The originally filed Clearing Agency Investment Policy referenced a pending request for no action relief with the Commission regarding how NSCC would invest funds in its Fully-Paid-For Account. On December 1, 2016, the Division took a no-action position regarding how NSCC could invest funds in its Fully-Paid-For Account.<sup>25</sup> As such, Amendments No. 1 would amend the Clearing Agency Investment Policy to reflect the Division's position.

As discussed more fully above, the Commission finds that the Proposed

Rule Changes, as modified by Amendments No. 1, will establish a Clearing Agency Investment Policy that adheres to a conservative investment philosophy that places the highest priority on maximizing liquidity and avoiding risk to the funds in the custody of the Clearing Agencies, thereby promoting the prompt and accurate clearance and settlement of securities, consistent with Section 17A(b)(3)(F) of the Act, cited above. The Commission also finds, as discussed above, that via the Proposed Rule Changes, as modified by Amendments No. 1, NSCC will hold the described funds in a manner that minimizes the risk of loss or delay in access to them and will invest the funds in instruments with minimal credit, market and liquidity risks, consistent with Rule 17Ad-22(d)(3) of the Act, cited above. Additionally, the Commission finds that Amendments No. 1 only made a technical, non-substantive change to the Investment Policy as originally proposed. Accordingly, the Commission finds good cause for approving the Proposed Rule Changes, as modified by Amendments No. 1, on an accelerated basis, pursuant to Section 19(b)(2) of the Act.<sup>26</sup>

#### V. Conclusion

On the basis of the foregoing, the Commission finds that the Proposed Rule Changes, as modified by Amendments No. 1, are consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act<sup>27</sup> and the rules and regulations thereunder.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act, that proposed rule changes SR-DTC-2016-007, SR-FICC-2016-005, and SR-NSCC-2016-003, as modified by Amendments No. 1, be, and hereby are, *approved* on an accelerated basis.<sup>28</sup>

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>29</sup>

**Eduardo A. Aleman,**  
*Assistant Secretary.*

[FR Doc. 2016-30256 Filed 12-15-16; 8:45 am]

**BILLING CODE 8011-01-P**

<sup>24</sup> 15 U.S.C. 78s(b)(2).

<sup>27</sup> 15 U.S.C. 78q-1.

<sup>28</sup> In approving the Proposed Rule Changes, the Commission considered the proposals' impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>29</sup> 17 CFR 200.30-3(a)(12).

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-79526; File No. SR-BatsEDGX-2016-71]

### Self-Regulatory Organizations; Bats EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Rule 21.5 of Bats EDGX Exchange, Inc. To Extend Through June 30, 2017, the Penny Pilot Program in Options Classes in Certain Issues

December 12, 2016.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on November 30, 2016, Bats EDGX Exchange, Inc. (the "Exchange" or "EDGX") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange. The Exchange has designated this proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(6)(iii) thereunder,<sup>4</sup> which renders it effective upon filing with the Commission. 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 filed a proposal to extend through June 30, 2017, the Penny Pilot Program ("Penny Pilot") in options classes in certain issues ("Pilot Program") previously approved by the Commission.<sup>5</sup>

The text of the proposed rule change is available at the Exchange's Web site at [www.batstrading.com](http://www.batstrading.com), at the principal office of the Exchange, and at the Commission's Public Reference Room.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>5</sup> The rules of EDGX Options, including rules applicable to EDGX Options' participation in the Penny Pilot, were approved on August 7, 2015. See Securities Exchange Act Release No. 75650 (August 7, 2015), 80 FR 48600 (August 13, 2015) (SR-EDGX-2015-18). EDGX Options commenced operations on November 2, 2015. The Penny Pilot was extended for EDGX Options through December 31, 2016. See Securities Exchange Act Release No. 78052 (June 13, 2016), 81 FR 39731 (June 17, 2016) (SR-BatsEDGX-2016-22).

<sup>24</sup> 15 U.S.C. 78s(b)(2).

<sup>25</sup> See NSCC, SEC No-Action Letter (December 1, 2016), available at <https://www.sec.gov/divisions/marketreg/mr-noaction/2016/national-securities-clearing-corporation-120116.pdf>.

## 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 these 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 Statutory Basis for, the Proposed Rule Change

#### 1. Purpose

The purpose of this filing is to extend the Penny Pilot, which was previously approved by the Commission, through June 30, 2017, and to provide revised dates for adding replacement issues to the Pilot Program. The Exchange proposes that any Pilot Program issues that have been delisted may be replaced on the second trading day following January 1, 2017. The replacement issues will be selected based on trading activity for the most recent six month period excluding the month immediately preceding the replacement (*i.e.*, beginning June 1, 2016, and ending November 30, 2016).

The Exchange represents that the Exchange has the necessary system capacity to continue to support operation of the Penny Pilot. The Exchange believes the benefits to public customers and other market participants who will be able to express their true prices to buy and sell options have been demonstrated to outweigh the increase in quote traffic.

#### 2. Statutory Basis

The Exchange believes that its proposal is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.<sup>6</sup> In particular, the proposal is consistent with Section 6(b)(5) of the Act<sup>7</sup> because it would promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system. The Exchange believes that the Pilot

Program promotes just and equitable principles of trade by enabling public customers and other market participants to express their true prices to buy and sell options. Accordingly, the Exchange believes that the proposal is consistent with the Act because it will allow the Exchange to extend the Pilot Program prior to its expiration on December 31, 2016. The Exchange notes that this proposal does not propose any new policies or provisions that are unique or unproven, but instead relates to the continuation of an existing program that operates on a pilot basis.

### B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. In this regard, the Exchange notes that the rule change is being proposed in order to continue the Pilot Program, which is a competitive response to analogous programs offered by other options exchanges. The Exchange believes this proposed rule change is necessary to permit fair competition among the options exchanges.

### C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any written comments from members or other interested parties.

## III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (A) Significantly affect the protection of investors or the public interest; (B) impose any significant burden on competition; and (C) by its terms, become operative for 30 days from the date on which it was filed or such shorter time as the Commission may designate it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>8</sup> and paragraph (f)(6) of Rule 19b-4 thereunder,<sup>9</sup> the Exchange has designated this rule filing as non-controversial. The Exchange has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change at least five business days prior to the date of filing

of the proposed rule change, or such shorter time as designated by the Commission.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (1) Necessary or appropriate in the public interest; (2) for the protection of investors; or (3) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

## IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposal is consistent with the Act. Comments may be submitted by any of the following methods:

### Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File No. SR-BatsEDGX-2016-71 on the subject line.

### Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.
- All submissions should refer to File No. SR-BatsEDGX-2016-71. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All comments

<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(5).

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>9</sup> 17 CFR 240.19b-4.

received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File No. SR-BatsEDGX-2016-71 and should be submitted on or before January 6, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>10</sup>

**Eduardo A. Aleman,**  
Assistant Secretary.

[FR Doc. 2016-30254 Filed 12-15-16; 8:45 am]

**BILLING CODE 8011-01-P**

## **SURFACE TRANSPORTATION BOARD**

**[Docket No. AB 55 (Sub-No. 767X)]**

### **CSX Transportation, Inc.— Discontinuance of Service Exemption—in Perry County, Ky.**

CSX Transportation, Inc. (CSXT), filed a verified notice of exemption under 49 CFR part 1152 subpart F—*Exempt Abandonments and Discontinuances of Service* to discontinue service over an approximately 3.3-mile rail line on CSXT's Northern Region, Louisville Division, EK Subdivision, between milepost 0WV 242.0 and milepost 0WV 245.3 in Hazard, Perry County, Ky. (the Line). The Line traverses United States Postal Service Zip Codes 41701 and 41722. There is one station on the Line, Sigmon, located at milepost 0VD 245 (FSAC 42845/OPSL 17202).<sup>1</sup>

CSXT has certified that: (1) No local traffic has moved over the Line for at least two years; (2) because the Line is not a through route, no overhead traffic has operated, and, therefore, none needs to be rerouted over other lines; (3) no formal complaint filed by a user of rail service on the Line (or by a state or local government entity acting on behalf of such user) regarding cessation of service over the Line is pending either with the Surface Transportation Board (Board) or with any U.S. District Court or has been decided in favor of complainant within the two-year period; and (4) the requirements at 49 CFR 1105.12 (newspaper publication) and 49 CFR 1152.50(d)(1) (notice to governmental agencies) have been met.

As a condition to this exemption, any employee adversely affected by the discontinuance of service shall be protected under *Oregon Short Line Railroad—Abandonment Portion*

<sup>10</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> CSXT states that the Sigmon station can be closed.

*Goshen Branch Between Firth & Ammon, in Bingham & Bonneville Counties, Idaho*, 360 I.C.C. 91 (1979). To address whether this condition adequately protects affected employees, a petition for partial revocation under 49 U.S.C. 10502(d) must be filed.

Provided no formal expression of intent to file an offer of financial assistance (OFA) to subsidize continued rail service has been received, this exemption will be effective on January 17, 2017, unless stayed pending reconsideration.<sup>2</sup> Petitions to stay that do not involve environmental issues and formal expressions of intent to file an OFA to subsidize continued rail service under 49 CFR 1152.27(c)(2)<sup>3</sup> must be filed by December 23, 2016.<sup>4</sup> Petitions to reopen must be filed by January 5, 2017, with the Surface Transportation Board, 395 E Street SW., Washington, DC 20423-0001.

A copy of any petition filed with the Board should be sent to CSXT's representative: Louis E. Gitomer, Law Offices of Louis E. Gitomer, LLC, 600 Baltimore Avenue, Suite 301, Towson, MD 21204.

If the verified notice contains false or misleading information, the exemption is void ab initio.

Board decisions and notices are available on our Web site at "[WWW.STB.GOV](http://WWW.STB.GOV)."

Decided: December 13, 2016.

By the Board, Rachel D. Campbell,  
Director, Office of Proceedings.

**Kenyatta Clay,**  
Clearance Clerk.

[FR Doc. 2016-30275 Filed 12-15-16; 8:45 am]

**BILLING CODE 4915-01-P**

## **SURFACE TRANSPORTATION BOARD**

**[Docket No. EP 730 (Sub-No. 1)]**

### **Revisions to Arbitration Procedures**

By decision served on September 30, 2016, as corrected on October 11, 2016, the Board adopted rules to modify its arbitration procedures so that its regulations, set forth at 49 CFR 1108 and 1115.8, conform to the requirements of the Surface Transportation

<sup>2</sup> Although CSXT states in its verified notice that the proposed consummation date of this transaction is January 16, 2017, this transaction cannot be consummated until January 17, 2017 (50 days from its filing date). 49 CFR 1152.50(d)(2).

<sup>3</sup> Each OFA must be accompanied by the filing fee, which is currently set at \$1,700. See 49 CFR 1002.2(f)(25).

<sup>4</sup> Because this is a discontinuance proceeding and not an abandonment, interim trail use/rail banking and public use conditions are not appropriate. Because there will be an environmental review during abandonment, this discontinuance does not require an environmental review.

Reauthorization Act of 2015, Public Law 114-110 (2015). Under Section 13 of that Act (codified at 49 U.S.C. 11708), the Board must "promulgate regulations to establish a voluntary and binding arbitration process to resolve rail rate and practice complaints" that are subject to the Board's jurisdiction. Section 11708(f) provides that, unless parties otherwise agree, an arbitrator or panel of arbitrators shall be selected from a roster maintained by the Board. Accordingly, the Board's rules establish a process for creating and maintaining a roster of arbitrators. See *Revisions to Arbitration Procedures*, EP 730, slip op. at 3-4 (STB served Oct. 11, 2016).

To establish the initial roster of arbitrators, the Board now seeks applications from all interested persons who wish to be included on the roster. Each applicant should describe his or her experience with rail transportation and economic regulation, as well as professional or business experience, including agriculture, in the private sector. Further, each applicant should describe his or her training in dispute resolution and/or experience in arbitration or other forms of dispute resolution, including the number of years of experience. Lastly, the applicant should provide his or her contact information and fees.

Applications should be submitted by January 17, 2017.<sup>1</sup> The Board will assess each applicant's qualifications to determine which individuals can ably serve as arbitrators based on the criteria established under 49 CFR 1108.6(b). The Board will then establish the initial roster of arbitrators by no-objection vote. The Board's roster will include a brief biographical sketch of each arbitrator, including information such as background, area(s) of expertise, arbitration experience, and geographical location, as well as contact information and fees, based on the information supplied by the arbitrator. The roster will be published on the Board's Web site, pursuant to 49 CFR 1108.6(b). The roster will be updated every year and may be modified by the Board at any time through a no-objection vote.

*It is ordered:*

1. Applications to be included on the Board's roster of arbitrators are due by January 17, 2017.

2. This decision is effective on the day of service.

<sup>1</sup> Persons who have informally indicated an interest in being included on the arbitrator roster (e.g., correspondence to Board members) should submit an application pursuant to this decision.