

Regulatory Commission to add a domestic shipping services contract to the list of Negotiated Service Agreements in the Mail Classification Schedule's Competitive Products List.

**DATES:** *Effective date:* December 21, 2016.

**FOR FURTHER INFORMATION CONTACT:** Elizabeth A. Reed, 202-268-3179.

**SUPPLEMENTARY INFORMATION:** The United States Postal Service® hereby gives notice that, pursuant to 39 U.S.C. 3642 and 3632(b)(3), on December 14, 2016, it filed with the Postal Regulatory Commission a *Request of the United States Postal Service to Add Priority Mail Express Contract 44 to Competitive Product List*. Documents are available at [www.prc.gov](http://www.prc.gov), Docket Nos. MC2017-49, CP2017-75.

**Stanley F. Mires,**

*Attorney, Federal Compliance.*

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**BILLING CODE 7710-12-P**

## POSTAL SERVICE

### Product Change—Priority Mail Negotiated Service Agreement

**AGENCY:** Postal Service™.

**ACTION:** Notice.

**SUMMARY:** The Postal Service gives notice of filing a request with the Postal Regulatory Commission to add a domestic shipping services contract to the list of Negotiated Service Agreements in the Mail Classification Schedule's Competitive Products List.

**DATES:** *Effective date:* December 21, 2016.

**FOR FURTHER INFORMATION CONTACT:** Elizabeth A. Reed, 202-268-3179.

**SUPPLEMENTARY INFORMATION:** The United States Postal Service® hereby gives notice that, pursuant to 39 U.S.C. 3642 and 3632(b)(3), on December 14, 2016, it filed with the Postal Regulatory Commission a *Request of the United States Postal Service to Add Priority Mail Contract 274 to Competitive Product List*. Documents are available at [www.prc.gov](http://www.prc.gov), Docket Nos. MC2017-51, CP2017-77.

**Stanley F. Mires,**

*Attorney, Federal Compliance.*

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## POSTAL SERVICE

### Product Change—Priority Mail Negotiated Service Agreement

**AGENCY:** Postal Service™.

**ACTION:** Notice.

**SUMMARY:** The Postal Service gives notice of filing a request with the Postal Regulatory Commission to add a domestic shipping services contract to the list of Negotiated Service Agreements in the Mail Classification Schedule's Competitive Products List.

**DATES:** *Effective date:* December 21, 2016.

**FOR FURTHER INFORMATION CONTACT:** Elizabeth A. Reed, 202-268-3179.

**SUPPLEMENTARY INFORMATION:** The United States Postal Service® hereby gives notice that, pursuant to 39 U.S.C. 3642 and 3632(b)(3), on December 14, 2016, it filed with the Postal Regulatory Commission a *Request of the United States Postal Service to Add Priority Mail Contract 275 to Competitive Product List*. Documents are available at [www.prc.gov](http://www.prc.gov), Docket Nos. MC2017-52, CP2017-78.

**Stanley F. Mires,**

*Attorney, Federal Compliance.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-79561; SR-NYSEMKT-2016-58]

### Self-Regulatory Organizations; NYSE MKT LLC; Notice of Withdrawal of a Proposed Rule Change, as Modified by Amendments No. 1 and 2 Thereto, Relating to Amendments to NYSE MKT Rules 1600 et seq. and the Listing Rules Applicable to the Shares of the Nuveen Diversified Commodity Fund and the Nuveen Long/Short Commodity Total Return Fund

December 15, 2016.

On May 24, 2016, NYSE MKT LLC (“Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) <sup>1</sup> and Rule 19b-4 thereunder, <sup>2</sup> a proposed rule change to among other things, amend NYSE MKT Rules 1600 et seq. and to amend the listing rules applicable to the shares of the Nuveen Diversified Commodity Fund and the Nuveen Long/Short

Commodity Total Return Fund, which the Exchange currently lists and trades. The proposed rule change was published for comment in the **Federal Register** on June 13, 2016.<sup>3</sup> On July 28, 2016, pursuant to Section 19(b)(2) of the Act,<sup>4</sup> the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.<sup>5</sup> On September 2, 2016, the Exchange filed Amendment No. 1 to the proposed rule change, which replaced and superseded the proposed rule change as originally filed.<sup>6</sup> On September 9, 2016, the Commission instituted proceedings under Section 19(b)(2)(B) of the Act,<sup>7</sup> to determine whether to approve or disapprove the proposed rule change, as modified by Amendment No. 1.<sup>8</sup> On November 10, 2016, the Exchange filed Amendment No. 2 to the proposed rule change, which replaced and superseded the proposed rule change as modified by Amendment No. 1 thereto its entirety.<sup>9</sup> On December 8, 2016, pursuant to Section 19(b)(2) of the Act,<sup>10</sup> the Commission designated February 8, 2017 as the date by which the Commission would either approve or disapprove the proposed rule change, as modified by Amendments No. 1 and 2.<sup>11</sup> The Commission has received two comments on the proposal.<sup>12</sup>

On December 9, 2016, the Exchange withdrew the proposed rule change, as modified by Amendments No. 1 and 2 (SR-NYSEMKT-2016-58).

<sup>3</sup> See Securities Exchange Act Release No. 78000 (June 7, 2016), 81 FR 38232.

<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>5</sup> See Securities Exchange Act Release No. 78432, 81 FR 51248 (August 3, 2016). The Commission designated September 9, 2016, as the date by which the Commission would either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change.

<sup>6</sup> Amendment No. 1 is available at <https://www.sec.gov/comments/sr-nysemkt-2016-58/nysemkt201658-2.pdf>.

<sup>7</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>8</sup> See Securities Exchange Act Release No. 78804 (September 9, 2016), 81 FR 63543 (September 15, 2016).

<sup>9</sup> Amendment No. 2 is available at <https://www.sec.gov/comments/sr-nysemkt-2016-58/nysemkt201658-4.pdf>.

<sup>10</sup> 15 U.S.C. 78s(b)(2).

<sup>11</sup> See Securities Exchange Act Release No. 79510 (December 8, 2016), 81 FR 90402 (December 14, 2016).

<sup>12</sup> See letter dated July 4, 2016, to Division of Trading and Markets, Commission (“Anonymous Letter”); and letter from Michael Szkodzinski, Associate General Counsel, Weiss Asset Management LP, to Brent J. Fields, Secretary, Commission, dated October 6, 2016. The comments regarding the proposed rule change are available at <https://www.sec.gov/comments/sr-nysemkt-2016-58/nysemkt201658.shtml>.

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

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

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>13</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

[FR Doc. 2016-30694 Filed 12-20-16; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-79564; File No. SR-NYSEMKT-2016-116]

### Self-Regulatory Organizations; NYSE MKT LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Extending Its Program That Allows Transactions to Take Place at a Price That Is Below \$1 Per Option Contract Until July 5, 2017

December 15, 2016.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the “Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that on December 7, 2016, NYSE MKT LLC (the “Exchange” or “NYSE MKT”) 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 prepared by the self-regulatory organization. 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 to extend its program that allows transactions to take place at a price that is below \$1 per option contract until July 5, 2017. The proposed rule change is available on the Exchange’s Web site at [www.nyse.com](http://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 self-regulatory organization 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 purpose of this filing is to extend the Pilot Program<sup>4</sup> under Rule 968NY to allow accommodation transactions (“Cabinet Trades”) to take place at a price that is below \$1 per option contract for one additional year [sic]. The Exchange proposes to extend the program, which is due to expire on January 5, 2017, until July 5, 2017. The proposed extension of the Pilot Program will provide the Exchange additional time to submit a separate proposed rule change under Section 19(b)(2) of the Securities Exchange Act of 1934 (the “Act”) to make the program permanent (“Permanent Filing”). In support of making the Pilot Program permanent, the Exchange represents that, in the Permanent Filing, it would provide statistics related to Cabinet Trades that were executed in calendar year 2016 and describe the manner in which Cabinet Trades are cleared and processed.

An “accommodation” or “cabinet” trade refers to trades in listed options on the Exchange that are worthless and typically not actively traded. Cabinet trading is generally conducted in accordance with Exchange Rules, except as provided in Exchange Rule 968NY, Accommodation Transactions (Cabinet Trades), which sets forth specific procedures for engaging in cabinet trades. Rule 968NY currently provides for cabinet transactions to occur via open outcry at a cabinet price of a \$1 per option contract in any options series open for trading on the Exchange, except that the Rule is not applicable to trading in option classes participating in the Penny Pilot Program. Under the procedures, bids and offers (whether opening or closing a position) at a price of \$1 per option contract may be represented in the trading crowd by a Floor Broker or by a Market Maker or provided in response to a request by a Trading Official, a Floor Broker or a Market Maker, but must yield priority to all resting orders in the Cabinet (those orders held by the Trading Official, and which resting cabinet orders may be closing only). Provided that the buyer and the seller yield to orders resting in

the cabinet book, opening cabinet bids can trade with opening cabinet offers at \$1 per option contract.

The Exchange has temporarily amended the procedures through January 5, 2017 to allow transactions to take place in open outcry at a price of at least \$0 but less than \$1 per option contract. These lower-priced transactions are permitted to be traded pursuant to the same procedures applicable to \$1 cabinet trades, except that (i) bids and offers for opening transactions are only permitted to accommodate closing transactions in order to limit use of the procedure to liquidations of existing positions, and (ii) the procedures are also made available for trading in option classes participating in the Penny Pilot Program.<sup>5</sup> The Exchange believes that allowing a price of at least \$0 but less than \$1 better accommodates the closing of options positions in series that are worthless or not actively traded, particularly in the event where there has been a significant move in the price of the underlying security that results in a large number of series being out-of-the-money. For example, a market participant might have a long position in a put series with a strike price of \$30 and the underlying stock might be trading at \$100. In such an instance, there might not otherwise be a market for that person to close-out the position even at the \$1 cabinet price (e.g., the series might be quoted no bid).

As with other accommodation liquidations under Rule 968NY, transactions that occur for less than \$1 will not be disseminated to the public on the consolidated tape. In addition, as with other accommodation liquidations under Rule 968NY, the transactions will be exempt from the Consolidated Options Audit Trail (“COATS”) requirements of Exchange Rule 955NY, Order Format and System Entry Requirements. However, the Exchange will maintain quotation, order and transaction information for the transactions in the same format as the COATS data is maintained. In this regard, all transactions for less than \$1 must be reported to the Exchange

<sup>5</sup> Currently, the \$1 cabinet trading procedures are limited to options classes traded in \$0.05 or \$0.10 standard increment. The \$1 cabinet trading procedures are not available in Penny Pilot Program classes because in those classes an option series can trade in a standard increment as low as \$0.01 per share (or \$1.00 per option contract with a 100 share multiplier). Because the temporary procedures allow trading below \$0.01 per share (or \$1.00 per option contract with a 100 share multiplier), the procedures are available for all classes, including those classes participating in the Penny Pilot Program.

<sup>13</sup> 17 CFR 200.30-3(a)(12).

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

<sup>4</sup> See Securities Exchange Act Release No. 63475 (December 8, 2010), 75 FR 77932 (December 14, 2010) (SR-NYSE Amex-2010-114).