II. Docketed Proceeding(s)

1. Docket No(s): CP2017–123; Filing Title: Notice of United States Postal Service of Type 1 Rate Adjustment, and Notice of Filing Functionally Equivalent Agreement; Filing Acceptance Date: February 9, 2017; Filing Authority: 39 CFR 3015.40 et seq.; Public Representative: Kenneth R. Moeller; Comments Due: February 23, 2017.

II. Docketed Proceeding(s)

1. Docket No(s): CP2017–121; Filing Title: Notice of United States Postal Service of Type 2 Rate Adjustment, and Notice of Filing Functionally Equivalent Agreement; Filing Acceptance Date: February 9, 2017; Filing Authority: 39 CFR 3010.40 et seq.; Public Representative: Natalie R. Ward; Comments Due: February 21, 2017.

This notice will be published in the Federal Register.

Stacy L. Ruble, Secretary.

[FR Doc. 2017–03051 Filed 2–14–17; 8:45 am]

BILLING CODE 7710–FW–P

POSTAL REGULATORY COMMISSION

[Docket Nos. CP2017–121; CP2017–122; CP2017–123]

New Postal Products

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: The Commission is noticing recent Postal Service filings for the Commission’s consideration concerning negotiated service agreements. This notice informs the public of the filing, invites public comment, and takes other administrative steps.

DATES: Comments are due: February 16, 2017.

ADDRESSES: Submit comments electronically via the Commission’s Filing Online system at http://www.prc.gov. Those who cannot submit comments electronically should contact the person identified in the FOR FURTHER INFORMATION CONTACT section by telephone for advice on filing alternatives.

FOR FURTHER INFORMATION CONTACT: David A. Trissell, General Counsel, at 202–789–6820.

Section II identifies the docket number(s) associated with each Postal Service request, the title of each Postal Service request, the request’s acceptance date, and the authority cited by the Postal Service for each request. For each request, the Commission appoints an officer of the Commission to represent the interests of the general public in the proceeding, pursuant to 39 U.S.C. 505 (Public Representative). Section II also establishes comment deadline(s) pertaining to each request.

The public portions of the Postal Service’s request(s) can be accessed via the Commission’s Web site (http://www.prc.gov). Non-public portions of the Postal Service’s request(s), if any, can be accessed through compliance with the requirements of 39 CFR 3007.40.

The Commission invites comments on whether the Postal Service’s request(s) in the captioned docket(s) are consistent with the policies of title 39.

For request(s) that the Postal Service states concern market dominant product(s), applicable statutory and regulatory requirements include 39 U.S.C. 3622, 39 U.S.C. 3642, 39 CFR part 3010, and 39 CFR part 3020, subpart B. For request(s) that the Postal Service states concern competitive product(s), applicable statutory and regulatory requirements include 39 U.S.C. 3632, 39 U.S.C. 3633, 39 U.S.C. 3642, 39 CFR part 3015, and 39 CFR part 3020, subpart B. Comment deadline(s) for each request appear in section II.

II. Docketed Proceeding(s)

1. Docket No(s): CP2017–122; Filing Title: Notice of United States Postal Service of Filing a Functionally Equivalent Global Expedited Package Services 3 Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal; Filing Acceptance Date: February 8, 2017; Filing Authority: 39 CFR 3015.5; Public Representative: Gregory Stanton; Comments Due: February 16, 2017.

2. Docket No(s): CP2017–121; Filing Title: Notice of United States Postal Service of Filing a Functionally Equivalent Global Expedited Package Services 3 Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal; Filing Acceptance Date: February 8, 2017; Filing Authority: 39 CFR 3015.5; Public Representative: Kenneth R. Moeller; Comments Due: February 16, 2017.

3. Docket No(s): CP2017–123; Filing Title: Notice of United States Postal Service of Filing a Functionally Equivalent Global Expedited Package
SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; ISE Gemini, LLC; ISE Mercury, LLC; Order Granting Approval of Proposed Rule Changes, as Modified by Amendment Nos. 1 and 2 Thereto, To Permit Nasdaq Execution Services, LLC To Become an Affiliated Member of Each Exchange To Perform Certain Routing and Other Functions

February 9, 2017.

I. Introduction

On December 9, 2016, ISE Gemini, LLC (“ISE Gemini”) and ISE Mercury, LLC (“ISE Mercury,” and each of ISE Gemini and ISE Mercury an “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) and Rule 19b–4 thereunder,2 proposed rule changes which amended and replaced each Exchange’s rules,3 and are similar to the rules of the Affiliated Exchanges.4 ISE submitted a related proposal on December 20, 2016, to become an affiliated Member of each Exchange to perform certain routing and other functions.5 The Commission received no comments on the proposed rule changes. This order grants approval of the proposed rule changes, each as modified by the respective Amendment Nos. 1 and 2.

II. Background

On June 21, 2016, the Commission approved a proposed rule change relating to a corporate transaction in which Nasdaq, Inc. would become the ultimate parent of International Securities Exchange, LLC (“ISE”), ISE Gemini, and ISE Mercury (collectively, the “ISE Exchanges”).6 The transaction closed on June 30, 2016.7 Nasdaq, Inc. is the ultimate parent of NASDAQ BX, Inc. (“BX”). The NASDAQ Stock Market LLC (“Nasdaq”), and NASDAQ PHLX LLC (“Phlx” and, together with Nasdaq and BX, the “Nasdaq Exchanges”).8 Nasdaq, Inc. is also the ultimate parent of NES,9 a broker-dealer that is a member, and affiliate, of each of the Nasdaq Exchanges.10 As a result of this transaction, the ISE Exchanges and the Nasdaq Exchanges became affiliates,11 conditions that would apply. Specifically, each Exchange modified the third condition to specify that the report that FINRA will provide to the Exchange’s chief regulatory officer on a quarterly basis will quantify all alerts, of which the Exchange or FINRA (rather than solely FINRA) are aware, that identify NES as a participant that has potentially violated Commission or Exchange rules.


6 See Nasdaq Acquisition Order, supra note 6, at 41611.


10 See Nasdaq Acquisition Order, supra note 6, at 41611 n.8. The Nasdaq Exchanges, together with ISE, ISE Gemini (with respect to ISE Mercury), and and NES became an affiliate of the ISE Exchanges.12

11 As described in more detail below, ISE Gemini and ISE Mercury’s respective rulebooks incorporate by reference Chapter 19 of ISE’s rulebook, which contains rules relating to the routing of orders, cancellation of orders, and handling of certain error positions.13 ISE submitted a related proposed rule change to: (1) Route outbound orders in options listed and open for trading on ISE’s system to away markets through NES, either directly or through a third-party routing broker-dealer; (2) adopt rules regarding the cancellation of orders and the handling of certain error positions, including maintenance by NES of an error account; and (3) make related conforming changes.14 These ISE rules, which the Commission is also approving today, concerning the outbound routing of orders, cancellation of orders, and handling of error accounts, will be incorporated by reference into ISE Gemini and ISE Mercury’s rules,15 and are similar to

ISE Mercury (with respect to ISE Gemini), are referred to herein as the “Affiliated Exchanges.”

12 See generally ISE Gemini Notice, supra note 5, at 96137 (discussing that NES is a broker-dealer owned and operated by Nasdaq, Inc. and affiliated with ISE Gemini and the Affiliated Exchanges); ISE Mercury Notice, supra note 5, at 96089 (discussing that NES is a broker-dealer owned and operated by Nasdaq, Inc. and affiliated with ISE Mercury and the Affiliated Exchanges).

13 See ISE Gemini Rules, Chapter 19 (incorporating by reference rules in ISE Rules, Chapter 19); ISE Mercury Rules, Chapter 19 (incorporating by reference rules in ISE Rules, Chapter 19).


15 Consistent with the proposals by ISE Gemini and ISE Mercury described herein, the ISE rules that the Commission is approving today also (1) permit ISE to receive inbound orders in options routed through NES from the Affiliated Exchanges, pursuant to certain limitations and conditions; and (2) permit NES to become a Member of ISE to perform certain routing and other functions. See ISE Notice, supra note 14, at 96093–94; ISE Exchange Routing Order, supra note 14.