

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 also will be available for inspection and copying at the principal office of the Exchange. 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 No. SR-NYSEArca-2016-168, and should be submitted on or before January 27, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>18</sup>

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

[FR Doc. 2016-32039 Filed 1-5-17; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-79715; File No. SR-NYSE-2016-91]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Exchange's Price List to Modify the Fees Related to Four Bundles of Co-Location Services in Connection with the Exchange's Co-Location Services

December 30, 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 19, 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 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 the Substance of the Proposed Rule Change

The Exchange proposes to amend the Exchange's Price List to modify the fees related to four bundles of co-location services ("Partial Cabinet Solution bundles") in connection with the Exchange's co-location services. The Exchange proposes to implement the fee changes effective January 1, 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.

<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.

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 Exchange proposes to amend the Exchange's Price List to modify the fees related to Partial Cabinet Solution bundles in connection with the Exchange's co-location services.<sup>4</sup> Currently, the Exchange offers Users<sup>5</sup> that purchase a Partial Cabinet Solution bundle on or before December 31, 2016 a 50% reduction in the monthly recurring charges ("MRC") for the first 12 months.<sup>6</sup> The Exchange now proposes to extend that 50% reduction until December 31, 2017. The Exchange proposes to implement the fee changes effective January 1, 2017.

The Exchange offers the four Partial Cabinet Solution bundles in order to attract smaller Users, including those with minimal power or cabinet space demands or those for which the costs attendant with having a dedicated cabinet or greater network connection bandwidth are too burdensome.<sup>7</sup> Under the proposed change, such smaller Users will be able to avail themselves of the reduction until December 31, 2017. Specifically, the Exchange proposes to modify its Price List so that it reads as follows:

<sup>4</sup> The Exchange initially filed rule changes relating to its co-location services with the Securities and Exchange Commission ("Commission") in 2010. See Securities Exchange Act Release No. 62960 (Sept. 21, 2010), 75 FR 59310 (Sept. 27, 2010) (SR-NYSE-2010-56) (the "Original Co-location Filing"). The Exchange operates a data center in Mahwah, New Jersey (the "data center") from which it provides co-location services to Users.

<sup>5</sup> For purposes of the Exchange's co-location services, a "User" means any market participant that requests to receive co-location services directly from the Exchange. See Securities Exchange Act Release No. 76008 (Sept. 29, 2015), 80 FR 60190 (Oct. 5, 2015) (SR-NYSE-2015-40). As specified in the Price List, a User that incurs co-location fees for a particular co-location service pursuant thereto would not be subject to co-location fees for the same co-location service charged by the Exchange's affiliates NYSE MKT LLC and NYSE Arca, Inc. See Securities Exchange Act Release No. 70206 (Aug. 15, 2013), 78 FR 51765 (Aug. 21, 2013) (SR-NYSE-2013-59).

<sup>6</sup> See Securities Exchange Act Release No. 77072 (Feb. 5, 2016), 81 FR 7394 (Feb. 11, 2016) (SR-NYSE-2015-53).

<sup>7</sup> See *id.* at 7396.

<sup>18</sup> 17 CFR 200.30-3(a)(12).

Type of service	Description	Amount of charge
Partial Cabinet Solution bundles ..... Note: A User and its Affiliates are limited to one Partial Cabinet Solution bundle at a time. A User and its Affiliates must have an Aggregate Cabinet Footprint of 2 kW or less to qualify for a Partial Cabinet Solution bundle. See Note 2 under "General Notes".	Option A: 1 kW partial cabinet, 1 LCN connection (1 Gb), 1 IP network connection (1 Gb), 2 fiber cross connections and either the Network Time Protocol Feed or Precision Timing Protocol.  Option B: 2 kW partial cabinet, 1 LCN connection (1 Gb), 1 IP network connection (1 Gb), 2 fiber cross connections and either the Network Time Protocol Feed or Precision Timing Protocol.  Option C: 1 kW partial cabinet, 1 LCN connection (10 Gb), 1 IP network connection (10 Gb), 2 fiber cross connections and either the Network Time Protocol Feed or Precision Timing Protocol.  Option D: 2 kW partial cabinet, 1 LCN connection (10 Gb), 1 IP network connection (10 Gb), 2 fiber cross connections and either the Network Time Protocol Feed or Precision Timing Protocol.	\$7,500 initial charge per bundle plus monthly charge per bundle as follows: • For Users that order on or before December 31, 2017: \$3,000 monthly for first 12 months of service, and \$6,000 monthly thereafter. • For Users that order after December 31, 2017: \$6,000 monthly. \$7,500 initial charge per bundle plus monthly charge per bundle as follows: • For Users that order on or before December 31, 2017: \$3,500 monthly for first 12 months of service, and \$7,000 monthly thereafter. • For Users that order after December 31, 2017: \$7,000 monthly. \$10,000 initial charge per bundle plus monthly charge per bundle as follows: • For Users that order on or before December 31, 2017: \$7,000 monthly for first 12 months of service, and \$14,000 monthly thereafter. • For Users that order after December 31, 2017: \$14,000 monthly. \$10,000 initial charge per bundle plus monthly charge per bundle as follows: • For Users that order on or before December 31, 2017: \$7,500 monthly for first 12 months of service, and \$15,000 monthly thereafter. • For Users that order after December 31, 2017: \$15,000 monthly.

The Exchange is not proposing any other changes to the Partial Cabinet Solution bundles other than this proposed extension of the 50% reduction in the MRC. Users that purchase a Partial Cabinet Solution bundle would still be subject to a 90-day minimum commitment, after which period they are subject to a 60-day rolling time period.<sup>8</sup>

As is the case with all Exchange collocation arrangements, (i) neither a User nor any of the User's customers would be permitted to submit orders directly to the Exchange unless such User or customer is a member organization, a Sponsored Participant or an agent thereof (e.g., a service bureau providing order entry services); (ii) use of the collocation services proposed herein would be completely voluntary and available to all Users on a non-discriminatory basis;<sup>9</sup> and (iii) a User would only incur one charge for the particular collocation service described herein, regardless of

<sup>8</sup> See *id.*

<sup>9</sup> As is currently the case, Users that receive collocation services from the Exchange will not receive any means of access to the Exchange's trading and execution systems that is separate from, or superior to, that of other Users. In this regard, all orders sent to the Exchange enter the Exchange's trading and execution systems through the same order gateway, regardless of whether the sender is co-located in the data center or not. In addition, co-located Users do not receive any market data or data service product that is not available to all Users, although Users that receive collocation services normally would expect reduced latencies in sending orders to, and receiving market data from, the Exchange.

whether the User connects only to the Exchange or to the Exchange and one or both of its affiliates.<sup>10</sup>

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>11</sup> in general, and furthers the objectives of Sections 6(b)(5) of the Act,<sup>12</sup> in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to, and perfect the mechanisms of, a free and open market and a national market system and, in general, to protect investors and the public interest and because it is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that the proposed rule changes provide for the equitable allocation of reasonable dues,

<sup>10</sup> See SR-NYSE-2013-59, *supra* note 5, at 51766. The Exchange's affiliates have also submitted substantially the same proposed rule change to propose the changes described herein. See SR-NYSEMKT-2016-123 and SR-NYSEArca-2016-168. A separate fee filing by the Exchange that is effective January 3, 2017 will not affect this filing. See SR-NYSE-2016-89.

<sup>11</sup> 15 U.S.C. 78f(b).

<sup>12</sup> 15 U.S.C. 78f(b)(5).

fees, and other charges among its members, issuers and other persons using its facilities, and are not designed to permit unfair discrimination between customers, issuers, brokers, or dealers, because the Exchange proposes to offer the 50% reduction in the MRC to all Users equally. As is currently the case, the purchase of any collocation service (including Partial Cabinet Solution bundles) is completely voluntary. All Users that order a bundle on or before December 31, 2017 would have their MRC reduced by 50% for the first 12 months.

The Exchange believes that extending the 50% reduction in the MRC for Partial Cabinet Solution bundles is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers because the Partial Cabinet Solution bundles would continue to offer four different Partial Cabinet Solution bundles with options with respect to cabinet footprint and network connections. Users that require other sizes or combinations of cabinets, network connections and cross connects could still request them.

In addition, the Exchange believes that its proposal would remove impediments to, and perfects the mechanisms of, a free and open market and a national market system and, in general, protects investors and the public interest because the proposed extension of the 50% reduction in MRC would continue to make it more cost

effective for Users to utilize co-location by creating a convenient way to create a colocation environment, through four Partial Cabinet Solution bundles with options with respect to cabinet footprint and network connections. The Exchange expects that such Users would include those with minimal power or cabinet space demands and Users for which the costs attendant with having a dedicated cabinet or greater network connection bandwidth are too burdensome.

The Exchange also believes that the proposed rule change is consistent with Section 6(b)(4) of the Act,<sup>13</sup> in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

The Exchange believes that it is reasonable that Users that order a Partial Cabinet Solution bundle on or before December 31, 2017 would have their MRC reduced by 50% for the first 12 months because it is reasonable to continue to offer such reduction as an incentive to Users to utilize the service. As noted above, the Exchange anticipates that Users of the Partial Cabinet Solution bundles would include those with minimum power or cabinet space demands and Users for which the costs attendant with having a dedicated cabinet or greater network connection bandwidth are too burdensome. The Exchange believes that it is reasonable to continue to have a reduced minimum commitment period for the Partial Cabinet Solution bundle to further reduce the cost commitment for such Users as a continued incentive to Users to utilize the new service.

For the reasons above, the proposed changes do not unfairly discriminate between or among market participants that are otherwise capable of satisfying any applicable co-location fees, requirements, terms and conditions established from time to time by the Exchange.

Finally, the Exchange believes that it is subject to significant competitive forces, as described below in the Exchange's statement regarding the burden on competition.

For these reasons, the Exchange believes that the proposal is consistent with the Act.

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

In accordance with Section 6(b)(8) of the Act,<sup>14</sup> 26 the Exchange believes that

the proposed rule change will not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act because, in addition to the proposed services being completely voluntary, they are available to all Users on an equal basis (*i.e.* the same products and services are available to all Users, and the extension of the 50% reduction for the MRC for the Partial Cabinet Solution bundles would apply to all Users).

The Exchange believes that extending the 50% reduction in the MRC will not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act because such access will continue to satisfy User demand for cost effective options for smaller Users that choose to utilize co-location. All Users that order a bundle on or before December 31, 2017 would have their MRC reduced by 50% for the first 12 months. Providing entities with the additional option of the Partial Cabinet Solution bundle will allow them to select the relationship and type of service that better corresponds to their needs and resources.

The proposed changes will also enhance competition by making it more cost effective for Users that purchase a Partial Cabinet Solution bundle to utilize co-location by creating a convenient way to create a colocation environment, through Partial Cabinet Solution bundles with options with respect to cabinet footprint and network connections at a reduced MRC for the first 12 months. Such Users may choose to pass on such cost savings to their customers.

The Exchange operates in a highly competitive market in which exchanges offer co-location services as a means to facilitate the trading and other market activities of those market participants who believe that co-location enhances the efficiency of their operations. Accordingly, fees charged for co-location services are constrained by the active competition for the order flow of, and other business from, such market participants. If a particular exchange charges excessive fees for co-location services, affected market participants will opt to terminate their co-location arrangements with that exchange, and adopt a possible range of alternative strategies, including placing their servers in a physically proximate location outside the exchange's data center (which could be a competing exchange), or pursuing strategies less dependent upon the lower exchange-to-participant latency associated with co-location. Accordingly, the exchange charging excessive fees would stand to

lose not only co-location revenues but also the liquidity of the formerly co-located trading firms, which could have additional follow-on effects on the market share and revenue of the affected exchange. In such an environment, the Exchange must continually review, and consider adjusting, its services and related fees and credits to remain competitive with other exchanges.

For the reasons described above, the Exchange believes that the proposed rule change reflects this competitive environment.

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

No written comments were solicited or received with respect to the proposed rule change.

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

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)<sup>15</sup> of the Act and subparagraph (f)(2) of Rule 19b-4<sup>16</sup> thereunder, because it establishes a due, fee, or other charge imposed by the Exchange.

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)<sup>17</sup> of the Act to determine whether the proposed rule change 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 proposed rule change 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-NYSE-2016-91 on the subject line.

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

<sup>16</sup> 17 CFR 240.19b-4(f)(2).

<sup>17</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>13</sup> 15 U.S.C. 78f(b)(4).

<sup>14</sup> 15 U.S.C. 78f(b)(8).

### 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-NYSE-2016-91. 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 also will be available for inspection and copying at the principal office of the Exchange. 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 No. SR-NYSE-2016-91, and should be submitted on or before January 27, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>18</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

[FR Doc. 2016-32038 Filed 1-5-17; 8:45 am]

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## SURFACE TRANSPORTATION BOARD

[Docket No. FD 36080]

### Decatur Central Railroad, L.L.C.— Change in Operator Exemption— Decatur Junction Railway Co.

Decatur Central Railroad, L.L.C. (DC), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to assume operations of a rail line located between milepost 14.22 in Cisco, Piatt

County, Ill., and milepost 27.63 (Green's Switch) near Decatur, Macon County, Ill., a distance of approximately 13 miles (the Line). The Line is currently leased to and operated by Decatur Junction Railway Co. (DJRC), which consents to the proposed change in operators. DC will become a rail carrier as a result of this transaction.

DC describes itself as a joint venture between OmniTRAX Holdings Combined, Inc. and Topflight Grain Cooperative, Inc., which each own 50% of DC. DJRC has agreed to relinquish to DC, and DC has agreed to assume, the exclusive common carrier obligation over the Line.

DC states that the agreement by which it will assume operations does not contain any provision that prohibits DC from interchanging traffic with a third party or limits DC's ability to interchange traffic with a third party railroad.

DC certifies that the proposed transaction will not result in DC's becoming a Class II or Class I rail carrier. DC will become a Class III carrier upon consummation of the proposed transaction, but the projected annual revenue of DC will not exceed \$5 million. Under 49 CFR 1150.32(b), a change in operator requires that notice be given to shippers. DC certifies that it has provided notice of the proposed change in operator to the only shipper on the Line.

The earliest this transaction can be consummated is January 21, 2017, the effective date of the exemption.<sup>1</sup>

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions for stay must be filed no later than January 13, 2017 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 36080, must be filed with the Surface Transportation Board, 395 E Street SW., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Karl Morell, Karl Morell & Associates, Suite 225, 655 Fifteenth Street NW., Washington, DC 20005.

<sup>1</sup> DC filed its verified notice of exemption on December 8, 2016, and supplemented it by letter filed on December 22, 2016. The date of DC's supplement will be considered the filing date for purposes of calculating the effective date of the exemption.

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

Decided: January 3, 2017.

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

**Raina S. Contee,**

*Clearance Clerk.*

[FR Doc. 2017-00020 Filed 1-5-17; 8:45 am]

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## SURFACE TRANSPORTATION BOARD

[Docket No. AB 55 (Sub-No. 769X)]

### CSX Transportation, Inc.— Discontinuance of Service Exemption—in Boone County, W. Va.

CSX Transportation, Inc. (CSXT), filed a verified notice of exemption under 49 CFR pt. 1152 subpart F—*Exempt Abandonments and Discontinuances of Service* to discontinue service over an approximately 9.9-mile rail line on CSXT's Southern Region, Florence Division, Seth Subdivision, between milepost CLN 0.3 and milepost CLN 10.2 in Boone County, W. Va. (the Line). The Line traverses United States Postal Service Zip Code 25181. There is one station on the Line, Prenter, located at milepost CLN 10 (FSAC 82243/OPSL 64790).<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 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.

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

<sup>18</sup> 17 CFR 200.30-3(a)(12).