Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] a proposed rule change to establish a new optional listing category on the Exchange, ''LTSE Listings on IEX.'' The proposed rule change was published for comment in the **Federal Register** on April 2, 2018.[3] The Commission received 23 comment letters on the proposed rule change.[4] On April 26, 2018, the Commission received a response letter from the Exchange.[5]

Section 19(b)(2) of the Act[6] provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day for this filing is May 17, 2018.

The Commission is extending the 45-day time period for Commission action on the proposed rule change. The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the Exchange's proposed rule change, the comments received, and the Exchange's response to comments.

Accordingly, pursuant to Section 19(b)(2)(A)(ii)(I) of the Act[7] and for the reasons stated above, the Commission designates July 1, 2018 as the date by which the Commission should either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR–IEX–2018–06).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[8]

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2018–10500 Filed 5–16–18; 8:45 am]

BILLING CODE 8011–01–P

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 82948 (March 27, 2018), 83 FR 14074 (''Notice'').

[4] *See* letters to Brent J. Fields, Secretary, Commission, from Tony Davis, CEO, Inherent Group, dated April 19, 2018; Morgan Housel, Partner, The Collaborative Fund, dated April 20, 2018; Chris Brummer, Professor of Law, Faculty Director, Institution of International Economic Law, Georgetown University Law Center, dated April 22, 2018; Reid Hoffman, Partner, Greylock Partners, dated April 23, 2018; Judith Samuelson, Vice President, Founder & Director, The Business & Society Program, and Alastair Fitzpayne, Executive Director, The Future of Work Initiative, The Aspen Institute, dated April 23, 2018; John Buhl, dated April 23, 2018; Marcie Frost, Chief Executive Officer, California Public Employees' Retirement System Investment Office, dated April 23, 2018; Sam Altman, President, Y Combinator, dated April 23, 2018; Marc Andreessen, Cofounder and General Partner, Andreessen Horowitz, dated April 23, 2018; Tony Hsieh, Founder, Downtown Project, dated April 23, 2018; Steve Case, Chairman and CEO, Revolution, dated April 23, 2018; Douglas K. Chia, Executive Director, Governance Center, The Conference Board, Inc., dated April 23, 2018; Dick Costolo, dated April 23, 2018; Chris Concannon, President and COO, Cboe Global Markets, Inc.; Jeff Weiner, CEO, LinkedIn, dated April 23, 2018; Aneesh Chopra, President, CareJourney, dated April 23, 2018; Brian Singerman, Partner, Founders Fund, dated April 23, 2018; James Anderson, Partner and Head of Global Equities, Baillie Gifford & Co, dated April 23, 2018; David Brown and David Cohen, Founders and Co-CEOs, Techstars, dated April 23, 2018; Evan Williams, Co-Founder and James Joaquin, Co-Founder & Managing Director, Obvious Ventures, dated April 23, 2018; Andrew Mason, CEO, Descript, dated April 23, 2018; Alexis Ohanian, General Partner/Cofounder, and Garry Tan, Managing Partner/Cofounder, Initialized Capital, dated April 23, 2018; Aaron Bertinetti, SVP, Research & Engagement, Glass, Lewis & Co., LLC, dated April 23, 2018. All comments received by the Commission on the proposed rule change are available at: *https://www.sec.gov/comments/sr-iex-2018-06/iex201806.htm.*

[5] *See* letter to Brent J. Fields, Secretary, Commission, from Claudia Crowley, Chief Regulatory Officer, Investors Exchange LLC, dated April 26, 2018. The Exchange's response letter is available at: *https://www.sec.gov/comments/sr-iex-2018-6/iex201806-3520149-162294.pdf.*

[6] 15 U.S.C. 78s(b)(2).

[7] 15 U.S.C. 78s(b)(2)(A)(ii)(I).

[8] 17 CFR 200.30–3(a)(31).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–83218; File No. SR–NYSEARCA–2018–28]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Provide Users With Connectivity to Three Additional Third Party Data Feeds and Change the NYSE Arca Options Fees and Charges and the NYSE Arca Equities Fees and Charges Related to These Co-location Services

May 11, 2018.

Pursuant to Section 19(b)(1)[1] of the Securities Exchange Act of 1934 (the ''Act'')[2] and Rule 19b–4 thereunder,[3] notice is hereby given that on April 30, 2018, NYSE Arca, Inc. (''NYSE Arca'' or the ''Exchange'') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I and II 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.

[1] 15 U.S.C. 78s(b)(1).

[2] 15 U.S.C. 78a.

[3] 17 CFR 240.19b–4.

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

The Exchange proposes to provide Users with connectivity to three additional third party data feeds and to change the NYSE Arca Options Fees and Charges (the ''Options Fee Schedule'') and the NYSE Arca Equities Fees and Charges (the ''Equities Fee Schedule'' and, together with the Options Fee Schedule, the ''Fee Schedules'') related to these co-location services. Additionally, the Exchange proposes to make non-substantive corrections to the Fee Schedules. The proposed rule change is available on the Exchange's website 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 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 Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend the co-location[4] services offered by the Exchange to provide Users[5] with

[4] The Exchange initially filed rule changes relating to its co-location services with the Commission in 2010. See Securities Exchange Act Release No. 63275 (November 8, 2010), 75 FR 70048 (November 16, 2010) (SR–NYSEArca–2010–100. The Exchange operates a data center in Mahwah, New Jersey (the ''data center'') from which it provides co-location services to Users.

[5] 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. 76010 (September 29, 2015), 80 FR 60197 (October 5, 2015) (SR–NYSEArca–2015–82). As specified in the Fee Schedules, a User that incurs co-location fees for a particular co-location service pursuant thereto would not be subject to co-

Continued

connectivity to three additional third party data feeds and to change its Fee Schedules related to these co-location services. Additionally, the Exchange proposes to make non-substantive corrections to the Fee Schedules.

Third Party Data Feeds

The Exchange charges fees for connectivity to data feeds from third party markets and other content service providers (''Third Party Data Feeds'').[6] The list of the Third Party Data Feeds and related connectivity fees is set forth in the Fee Schedules. The Exchange proposes to add three ICE Data Services Consolidated Feed Shared Farm feeds (the ''Additional Third Party Data Feeds'') to the list of Third Party Data Feeds.

The Additional Third Party Data Feeds are produced by an entity owned by the Exchange's ultimate parent, Intercontinental Exchange, Inc. (''ICE''), and so the Exchange has an indirect interest in the Additional Third Party Data Feeds. The Additional Third Party Data Feeds include data drawn from the Exchange, the Affiliate SROs, and third party exchanges, including stock and futures exchanges. Because it includes third party data, the Additional Third Party Data Feeds are considered Third Party Data Feeds.[7]

The list of available Third Party Data Feeds presently includes three ICE Data Services Consolidated Feeds.[8] The Additional Third Party Data Feeds are similar to the previously filed ICE Data Services Consolidated Feeds in terms of the underlying content, which, according to the content service provider, includes normalized, real-time and intraday data feeds from over 600 sources. The difference between them lies with what data a User actually receives.

More specifically, when a User requests connectivity to one of the previously filed ICE Data Services Consolidated Feeds, it receives connectivity to all the data in the relevant ICE Data Services Consolidated Feeds. The User uses its processor to narrow down the feed to the specific data it wants. In contrast, when a User requests connectivity to an Additional Third Party Data Feed, it will specify to the content service provider what specific information, out of the data from the roughly 600 sources, it wants to receive. The content service provider will use its own processor to narrow down the data feeds, so that the User will only receive the information it requests. A User may choose whether it wants connectivity to one of the previously filed ICE Data Services Consolidated Feeds or to one of the Additional Third Party Data Feeds based on whether it wants to process the data, and what level of control it wants over the processing. In both cases, the User will only receive data the relevant third party data provider authorizes it to receive.

As it does with the existing Third Party Data Feeds, the Exchange proposes to charge a monthly recurring fee for connectivity to each Additional Third Party Data Feed. The monthly recurring fee would vary by the bandwidth of the connection. Accordingly, the Exchange proposes to revise the Fee Schedules to provide that Users may obtain connectivity to the Additional Third Party Data Feeds for a monthly fee, as follows:

Third party data feed	Monthly recurring connectivity fee per third party data feed
ICE Data Services Consolidated Feed Shared Farm ≤100Mb	$200
ICE Data Services Consolidated Feed Shared Farm >100 Mb to ≤1 Gb	500
ICE Data Services Consolidated Feed Shared Farm >1 Gb	1,000

Depending on its needs and bandwidth, a User may opt to receive all or some of the feeds or services included in the Additional Third Party Data Feeds.

The Exchange would provide connectivity to the Additional Third Party Data Feeds (''Connectivity'') as a convenience to Users. Use of Connectivity would be completely voluntary. The Exchange is not aware of any impediment to third parties offering Connectivity.

The Exchange does not have visibility into whether third parties currently offer, or intend to offer, Users connectivity to the Additional Third Party Data Feeds, as such third parties are not required to make that information public. However, if one or more third parties presently offer, or in the future opt to offer, such Connectivity to Users, a User may utilize the Secure Financial Transaction Infrastructure (''SFTI'') network, a third party telecommunication network, third party wireless network, a cross connect, or a combination thereof to access such services and products through a connection to an access center outside the data center (which could be a SFTI access center, a third-party access center, or both), another User, or a third party vendor.

The Exchange would receive the Additional Third Party Data Feeds from the content service provider, at its data center. It would then provide connectivity to that data to Users for a fee. Users would connect to the Additional Third Party Data Feeds over the internet protocol (''IP'') network, a local area network available in the data center.

In order to connect to an Additional Third Party Data Feed, a User would enter into a contract with the content service provider, pursuant to which the content service provider would charge the User for the Third Party Data Feed. The Exchange would receive the Additional Third Party Data Feed over its fiber optic network and, after the content service provider and User entered into the contract and the Exchange received authorization from the content service provider, the Exchange would re-transmit the data to the User over the User's port. The Exchange would charge the User for the connectivity to the Additional Third Party Data Feed. A User would only receive, and would only be charged for, connectivity to the Additional Third Party Data Feed for which it entered into contracts.

The Exchange would have no right to use an Additional Third Party Data Feed other than as a redistributor of the data. The Additional Third Party Data Feeds would not provide access or order entry to the Exchange's execution system. The Additional Third Party Data Feeds would not provide access or order entry to the execution systems of the party generating the feed. The Exchange would receive the Additional Third Party Data Feeds via arms-length agreements and it would have no inherent advantage over any other distributor of such data.

Additional Changes

The Exchange proposes to make additional, non-substantive changes to add definitions, remove obsolete text and update third party exchange names (collectively, the ''Non-Substantive Changes''). The proposed additional changes would have no effect on pricing.

location fees for the same co-location service charged by the Exchange's affiliates New York Stock Exchange LLC (''NYSE LLC'') and NYSE American LLC (''NYSE American and, together with NYSE LLC, the ''Affiliate SROs''). *See* Securities Exchange Act Release No. 70173 (August 13, 2013), 78 FR 50459 (August 19, 2013) (SR–NYSEArca–2013–80).

[6] *See* Securities Exchange Act Release No. 80310 (March 24, 2017), 82 FR 15763 (March 30, 2017) (SR–NYSEArca–2016–89).

[7] *Id.,* at 15771.

[8] *Id.*

General Note 1

General Note 1 in the Fee Schedules references the Affiliate SROs. The Exchange proposes to add short-hand definitions of each of the Affiliate SROs, which terms are used later in the Fee Schedules. The revised references would be to ''NYSE American LLC (NYSE American) and New York Stock Exchange LLC (NYSE).''

Cabinet Upgrade Fee

The Exchange offers Users the option of a ''Cabinet Upgrade'' and related fee, pursuant to which the Exchange accommodates requests for additional power allocation beyond the typical amount that the Exchange allocates per dedicated cabinet, at which point the Exchange must upgrade the cabinet's power capacity.[9] The Cabinet Upgrade Fee in the Fee Schedules has a parenthetical setting forth lower fees for a User that submits a written order for a Cabinet Upgrade by January 31, 2014, provided that the Cabinet Upgrade becomes fully operational by March 31, 2014. For the avoidance of confusion, the Exchange proposes to put the text in the past tense. Accordingly, the parenthetical would read as follows: ''($4,600 for a User that submitted a written order for a Cabinet Upgrade by January 31, 2014, provided that the Cabinet Upgrade became fully operational by March 31, 2014)''.

Hosting Fees

A User may provide hosting services to its customers in the User's co-location space at the data center. In 2015, the Exchange modified the Hosting Fee to provide that, effective January 1, 2016, the Hosting Fee increased from $500 to $1,000 and would be assessed to a Hosting User on a per Hosted Customer basis and for each cabinet in which the Hosting User hosts the Hosted Customer.[10]

The Fee Schedules continue to include both the Hosting Fee that was in effect through December 31, 2015 and the date of the change. The Exchange proposes to delete the obsolete references to these dates and the amount of the previous hosting fee. The amended text would be as follows (additional text underscored, deletions in strikethrough):

Hosting Fee		~~Effective through December 31, 2015:~~ ~~$500 monthly charge per Hosted Customer~~ ~~Effective from January 1, 2016:~~ $1,000 monthly charge per cabinet per Hosted Customer for each cabinet in which such Hosted Customer is hosted

Obsolete Availability Dates and Exchange References

Certain services in the data center that are described in the Fee Schedules identify dates by which they were expected to be available. These dates have passed. Accordingly, the Exchange proposes to eliminate the obsolete references to these dates. In addition, the Exchange proposes to update the references to certain exchanges that have changed their names.[11]

To that end, the Exchange proposes to make the following changes:

• For the wireless connection of Bats Pitch BZX Gig shaped data and Bats Pitch BYX Gig shaped data, the description would be revised as follows: (a) The text would read ''Wireless connection of Cboe Pitch BZX Gig shaped data and Cboe Pitch BYX Gig shaped data''; and (b) the text ''Note: Connection to Bats Pitch BYX Gig shaped data is expected to be available no later than December 31, 2016.'' would be deleted.

• For the wireless connection of Bats EDGX Gig shaped data and Bats EDGA Gig shaped data, the description would be revised as follows: (a) The text would read ''Wireless connection of Cboe EDGX Gig shaped data and Cboe EDGA Gig shaped data''; and (b) the text ''Note: Connection to Bats EDGA Gig shaped data is expected to be available no later than December 31, 2016.'' would be deleted.

• For the wireless connection of Toronto Stock Exchange (TSX), the text ''Note: Service is expected to be available no later than June 30, 2017.'' would be deleted.

• In the table under ''Third Party Data Feeds,'' ''Bats BZX Exchange (BZX) and Bats BYX Exchange (BYX)'' and ''Bats EDGX Exchange (EDGX) and Bats EDGA Exchange (EDGA)'' and their related monthly recurring connectivity fees would be deleted, and lines for ''Cboe BZX Exchange (CboeBZX) and Cboe BYX Exchange (CboeBYX)'' and ''Cboe EDGX Exchange (CboeEDGX) and Cboe EDGA Exchange (CboeEDGA)'' added with their related monthly recurring connectivity fees, which would remain unchanged, as follows (additional text underscored, deletions in strikethrough):

[9] *See* Securities Exchange Act Release No. 71130 (December 18, 2013), 78 FR 77765 (December 24, 2013) (SR–NYSEArca–2013–143). Users may develop their hardware infrastructure within a particular cabinet in such a way that, if expansion of such hardware is needed, it can be accomplished within the space constraints of that particular cabinet. If this type of User requires additional power allocation, it would likely want to modify its existing cabinet in this manner, rather than taking an additional dedicated cabinet due to the expense of re-developing its infrastructure within such additional dedicated cabinet. *See id.*

[10] As stated in the Fee Schedules, ''Hosting User'' means a User that hosts a Hosted Customer in the User's co-location space, and ''Hosted Customer'' means a customer of a Hosting User that is hosted in a Hosting User's co-location space. *See* 80 FR 60197, *supra* note 5.

[11] *See* Securities Exchange Act Release No. 81962 (October 26, 2017), 82 FR 50711, 50713 (November 1, 2017) (SR–BatsBZX–2017–70).

Third Party Data Feed	Monthly Recurring Connectivity Fee per Third Party Data Feed
~~Bats BZX Exchange (BZX) and Bats BYX Exchange (BYX)~~	~~$2,000~~
~~Bats EDGX Exchange (EDGX) and Bats EDGA Exchange (EDGA)~~	~~$2,000~~
Boston Options Exchange (BOX)	$1,000
Cboe BZX Exchange (CboeBZX) and Cboe BYX Exchange (CboeBYX)	$2,000
Cboe EDGX Exchange (CboeEDGX) and Cboe EDGA Exchange (CboeEDGA)	$2,000

General

As is the case with all Exchange co-location 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 co-location services proposed herein would be completely voluntary and available to all Users on a non-discriminatory basis; [12] and (iii) a User would only incur one charge for the particular co-location service described herein, regardless of whether the User connects only to the Exchange or to the Exchange and one or both the Affiliate SROs.[13]

The proposed change is not otherwise intended to address any other issues relating to co-location services and/or related fees, and the Exchange is not aware of any problems that Users would have in complying with the proposed change.

[12] As is currently the case, Users that receive co-location 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 co-location services normally would expect reduced latencies in sending orders to, and receiving market data from, the Exchange.

[13] *See* 78 FR 50459, *supra* note 5, at 50459. The Affiliate SROs have also submitted substantially the same proposed rule change to propose the changes described herein. *See* SR–NYSE–2018–20 and SR–NYSEAMER–2018–19.

2. Statutory Basis

The Exchange believes that the proposed fee change is consistent with Section 6(b) of the Act,[14] in general, and furthers the objectives of Sections 6(b)(5) of the Act,[15] 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 changes would remove impediments to, and perfect the mechanisms of, a free and open market and a national market system and, in general, protect investors and the public interest because, by offering additional connectivity to the Additional Third Party Data Feeds, the Exchange would give each User additional options for addressing its connectivity needs, responding to User demand for connectivity options. Providing the connectivity to the Additional Third Party Data Feeds would help each User tailor its data center operations to the requirements of its business operations by allowing it to select the form and latency of connectivity that best suits its needs.

[14] 15 U.S.C. 78f(b).

[15] 15 U.S.C. 78f(b)(5).

The Exchange would provide Connectivity as a convenience to Users. Use of Connectivity would be completely voluntary. The Exchange is not aware of any impediment to third parties offering Connectivity. The Exchange does not have visibility into whether third parties currently offer, or intend to offer, Users connectivity to the Additional Third Party Data Feeds. However, if one or more third parties presently offer, or in the future opt to offer, such Connectivity to Users, a User may utilize the SFTI network, a third party telecommunication network, third party wireless network, a cross connect, or a combination thereof to access such services and products through a connection to an access center outside the data center (which could be a SFTI access center, a third-party access center, or both), another User, or a third party vendor.

The Exchange believes that the proposed changes would remove impediments to, and perfect the mechanisms of, a free and open market and a national market system and, in general, protect investors and the public interest because, by offering connectivity to the Additional Third Party Data Feed to Users, the Exchange would give Users additional options for connectivity to new services, responding to User demand for connectivity options.

The Exchange believes that the proposed Non-Substantive Changes would remove impediments to, and perfect the mechanisms of, a free and open market and a national market system and, in general, protect investors and the public interest because the changes would clarify Exchange rules and alleviate any possible market

participant confusion caused by the obsolete dates and exchange names.

The Exchange also believes that the proposed fee change is consistent with Section 6(b)(4) of the Act,[16] 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 the proposed fee changes are consistent with Section 6(b)(4) of the Act for multiple reasons. 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.

The Exchange believes that the additional services and fees proposed herein would be equitably allocated and not unfairly discriminatory because, in addition to the services being completely voluntary, they would be available to all Users on an equal basis (*i.e.,* the same products and services would be available to all Users). All Users that voluntarily selected to receive Connectivity would be charged the same amount for the same services. Users that opted to use Connectivity would not receive connectivity that is not available to all Users, as all market participants that contracted with the relevant content provider would receive connectivity.

The Exchange believes that the proposed charges would be reasonable, equitably allocated and not unfairly discriminatory because the Exchange would offer the Connectivity as conveniences to Users, but in order to do so must provide, maintain and operate the data center facility hardware and technology infrastructure. The Exchange must handle the installation, administration, monitoring, support and maintenance of such services, including by responding to any production issues. Since the inception of co-location, the Exchange has made numerous improvements to the network hardware and technology infrastructure and has established additional administrative controls. The Exchange has expanded the network infrastructure to keep pace with the increased number of services available to Users, including resilient and redundant feeds. In addition, in order to provide Connectivity, the Exchange would maintain multiple connections to each Additional Third Party Data Feed, allowing the Exchange to provide resilient and redundant connections; adapt to any changes made by the relevant third party; and cover any applicable fees charged by the relevant third party, such as port fees. In addition, Users would not be required to use any of their bandwidth for Connectivity unless they wish to do so.

The Exchange believes the proposed fee for connectivity to each Additional Third Party Data Feed is reasonable because the proposed monthly recurring fee varies by the bandwidth of the connection, and so is generally proportional to the bandwidth required. In addition, the proposed fees are consistent with the fees for connectivity to the previously filed ICE Data Services Consolidated Feeds, which feeds are similar to the Additional Third Party Data Feeds in terms of the underlying content. The Exchange notes that the proposed monthly recurring fees are also generally consistent with the monthly recurring fees for connectivity to the SR Labs-SuperFeed Third Party Data Feeds, which also vary by bandwidth. The Exchange believes that the proposed difference in pricing between the Additional Third Party Data Feeds and SR Labs-SuperFeed options is reasonable, equitably allocated and not unfairly discriminatory because, although the bandwidth may be similar, the competitive considerations and the costs the Exchange incurs in providing such connections may differ.

The Exchange believes the proposed fees for Connectivity would be reasonable because they would allow the Exchange to defray or cover the costs associated with offering Users connectivity to Additional Third Party Data Feeds while providing Users the convenience of receiving such Connectivity within co-location, helping them tailor their data center operations to the requirements of their business operations.

The Exchange believes that the proposed Non-Substantive Changes would be reasonable because the changes would have no impact on pricing. Rather, the changes would remove obsolete text and update references, thereby clarifying the Exchange rules and alleviating possible market participant confusion.

For the reasons above, the proposed changes would 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.

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,[17] 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 all of the proposed services are completely voluntary.

The Exchange believes that providing Users with additional options for connectivity to new services would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act because such proposed Connectivity would satisfy User demand for connectivity options. The Exchange would provide Connectivity as a convenience equally to all Users. All Users that voluntarily selected to receive Connectivity would be charged the same amount for the same services.

The Exchange does not have visibility into whether third parties currently offer, or intend to offer, Users connectivity to the Additional Third Party Data Feeds, as such third parties are not required to make that information public. However, if one or more third parties presently offer, or in the future opt to offer, such Connectivity to Users, a User may utilize the SFTI network, a third party telecommunication network, third party wireless network, a cross connect, or a combination thereof to access such services and products through a

[16] 15 U.S.C. 78f(b)(4).

[17] 15 U.S.C. 78f(b)(8).

connection to an access center outside the data center (which could be a SFTI access center, a third-party access center, or both), another User, or a third party vendor. Users that opt to use the proposed Connectivity would not receive connectivity that is not available to all Users, as all market participants that contract with the content provider may receive connectivity. In this way, the proposed changes would enhance competition by helping Users tailor their Connectivity to the needs of their business operations by allowing them to select the form and latency of connectivity that best suits their needs.

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

Finally, the Exchange believes that the proposed Non-Substantive Changes would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed changes are not designed to address any competitive issue but rather to remove obsolete text and update the Fee Schedules, thereby clarifying Exchange rules and alleviating any possible market participant confusion caused by the obsolete dates and exchange names.

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 Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act[18] and Rule 19b–4(f)(6) thereunder.[19] Because the proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act[20] and Rule 19b–4(f)(6) thereunder.[21]

A proposed rule change filed under Rule 19b–4(f)(6)[22] normally does not become operative for 30 days after the date of filing. However, pursuant to Rule 19b–4(f)(6)(iii),[23] the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange stated its belief that immediate implementation of the proposed rule changes would allow Users to have the benefit of connectivity to the Additional Third Party Data Feed without delay. In so doing, the immediate implementation would help Users tailor their data center operations to the requirements of their business operations without delay. In addition, the Exchange stated that the proposed changes to the Price List would provide Users with more complete information regarding their Connectivity options and the availability of products and services.

The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest, as it will allow Users to have the benefit of Additional Third Party Feed sooner and will allow User additional flexibility in tailoring their data center operations. For this reason, the Commission designates the proposed rule change to be operative upon filing.[24]

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 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 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 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.* Please include File Number SR–NYSEARCA–2018–28 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 Number SR–NYSEARCA–2018–28. 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 website (*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

[18] 15 U.S.C. 78s(b)(3)(A)(iii).

[19] 17 CFR 240.19b–4(f)(6).

[20] 15 U.S.C. 78s(b)(3)(A).

[21] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6) requires the Exchange to give 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. The Exchange has satisfied this requirement.

[22] 17 CFR 240.19b–4(f)(6).

[23] 17 CFR 240.19b–4(f)(6)(iii).

[24] For purposes only of waiving the operative delay for this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

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 website 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 filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–NYSEARCA–2018–28 and should be submitted on or before June 7, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[25]

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2018–10501 Filed 5–16–18; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Investment Advisers Act Release No. 4912; 803–00240]

BlackRock Advisors, LLC, et al.

May 11, 2018.

AGENCY: Securities and Exchange Commission (''Commission'').

ACTION: Notice.

Notice of application for an exemptive order under Section 206A of the Investment Advisers Act of 1940 (the ''Act'') and Rule 206(4)–5(e).

APPLICANTS: BlackRock Advisors, LLC, BlackRock Financial Management, Inc. and BlackRock Fund Advisors (Collectively the ''Applicants'' or ''Advisers'').

RELEVANT SECTIONS OF THE ACT: Exemption requested under section 206A of the Act and rule 206(4)–5(e) from rule 206(4)–5(a)(1) under the Act.

SUMMARY OF APPLICATION: Applicants request that the Commission issue an order under section 206A of the Act and rule 206(4)–5(e) exempting it from rule 206(4)–5(a)(1) under the Act to permit Applicants to receive compensation from certain government entities for investment advisory services provided to government entities within the two-year period following a contribution by a covered associate of the Applicants to an official of the government entities.

FILING DATES: The application was filed on May 26, 2017, and amended and restated applications were filed on November 21, 2017 and March 28, 2018.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving Applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on June 5, 2018, and should be accompanied by proof of service on Applicants, in the form of an affidavit or, for lawyers, a certificate of service. Pursuant to rule 0–5 under the Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the Commission's Secretary.

ADDRESSES: Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090. Applicants: BlackRock Advisors, LLC and BlackRock Financial Management, Inc., 55 East 52nd Street, New York, NY 10055 and BlackRock Fund Advisors, 400 Howard Street, San Francisco, CA 94105.

FOR FURTHER INFORMATION CONTACT: Rachel Loko, Senior Counsel, or Holly Hunter-Ceci, Assistant Chief Counsel, at (202) 551–6825 (Division of Investment Management, Chief Counsel's Office).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained via the Commission's website at *http://www.sec.gov/rules/iareleases.shtml* or by calling (202) 551–8090.

Applicants' Representations

1. Applicants are registered with the Commission as investment advisers pursuant to the Act. BlackRock, Inc. (''BlackRock'') is the parent company of the Advisers. Applicants act as advisers to registered investment companies and investment companies exempt from registration under the Investment Company Act of 1940.

2. The individual who made the campaign contribution that triggered the two-year compensation ban (the ''Contribution'') is Mark Wiedman (the ''Contributor''). The Contributor is a Senior Managing Director at BlackRock, the head of BlackRock's ETF and Index Investments business, and a member of BlackRock's Global Executive Committee. BlackRock's ETF business focuses on selling interests in RICs directly to investors, including certain government entities, which is not covered business under rule 206(4)–5. However, Applicants submit that, as a member of BlackRock's Global Executive Committee, the Contributor is, and at the time of the Contribution was, an executive officer of the Advisers under rule 206(4)–5(f)(4), and thus by definition is and at all relevant times was a covered associate pursuant to rule 206(4)–5(f)(2)(i).

3. Certain Ohio government entities have selected mutual funds (''RICs'') advised by BlackRock Advisors, LLC and BlackRock Fund Advisors to be options in their participant-directed plans and one Ohio government pension plan has invested in an unregistered fund managed by BlackRock Financial Management, Inc. Such government entities, are ''government entities'' as defined under Rule 206(4)–5(f)(5) and, throughout the application, are referred to individually as a ''Client'' and collectively as the ''Clients.''

4. The recipient of the Contribution was John Kasich (the ''Official''), the Governor of Ohio, in his campaign for President of the United States. The investment decisions of each Client are overseen by a board of trustees or directors (the ''Board'' or the ''Boards''), to which the Governor appoints certain members. The Applicants submit that due to the power of appointment, the Governor is an ''official'' of each Client under rule 206(4)–5.

5. The Contribution that triggered rule 206(4)–5's prohibition on compensation under rule 206(4)–5(a)(1) was made on January 15, 2016 (''the Contribution Date'') for the amount of $2,700 to the Official's campaign for President of the United States via credit card to attend a lunch hosted by the campaign at the invitation of a business acquaintance who was an independent director of a BlackRock fund and who shared the Contributor's personal political views. Applicants submit that the Contribution was not motivated by any desire to influence the award of investment advisory business. Applicants represent that in addition to being entitled to vote in the presidential election, the Contributor was interested in the GOP presidential primary. Aside from a brief introduction while Governor Kasich welcomed a group of attendees at lunch, the Contributor has never met the Official or dealt with the Official or his staff in any capacity. Moreover, the

[25] 17 CFR 200.30–3(a)(12) and (59).