

A. The exemption is authorized by law;

B. the exemption presents no undue risk to public health and safety;

C. the exemption is consistent with the common defense and security;

D. special circumstances are present in that the application of the rule in this circumstance is not necessary to serve the underlying purpose of the rule;

E. the special circumstances outweigh any decrease in safety that may result from the reduction in standardization caused by the exemption; and

F. the exemption will not result in a significant decrease in the level of safety otherwise provided by the design.

2. Accordingly, the licensee is granted an exemption from the certified DCD Tier 1 information, as described in the licensee's request dated August 30, 2016, as supplemented by letter dated March 14, 2017. This exemption is related to, and necessary for, the granting of License Amendments No. 89 and 88, which is being issued concurrently with this exemption.

3. As explained in Section 5 of the NRC staff's Safety Evaluation that supports this license amendment (ADAMS Accession Number ML17254A129), this exemption meets the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(9). Therefore, pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment needs to be prepared in connection with the issuance of the exemption.

4. This exemption is effective as of the date of its issuance.

### III. License Amendment Request

By letter dated August 30, 2016, as supplemented by letter dated March 14, 2017 (ADAMS Accession Nos. ML16243A373 and ML17007A159, respectively), the licensee requested that the NRC amend the COLs for VEGP, Units 3 and 4, COLs NPF-91 and NPF-92. The proposed amendment is described in Section I of this **Federal Register** notice.

The Commission has determined for these amendments that the application complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations. The Commission has made appropriate findings as required by the Act and the Commission's rules and regulations in 10 CFR Chapter I, which are set forth in the license amendment.

A notice of consideration of issuance of amendment to facility operating license or COL, as applicable, proposed no significant hazards consideration determination, and opportunity for a

hearing in connection with these actions, was published in the **Federal Register** on March 28, 2017 (82 FR 15377). No comments were received during the 30-day comment period.

The Commission has determined that these amendments satisfy the criteria for categorical exclusion in accordance with 10 CFR 51.22. Therefore, pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment need be prepared for these amendments.

### IV. Conclusion

Using the reasons set forth in the combined safety evaluation, the staff granted the exemption and issued the amendment that the licensee requested on August 30, 2016, and supplemented by letter dated March 14, 2017. The exemption and amendment were issued on October 6, 2017, as part of a combined package to the licensee (ADAMS Accession No. ML17254A125).

Dated at Rockville, Maryland, this 2nd day of January 2, 2018.

For the Nuclear Regulatory Commission.

**Jennifer L. Dixon-Herrity**,

*Chief, Licensing Branch 4, Division of New Reactor Licensing, Office of New Reactors.*

[FR Doc. 2018-00055 Filed 1-5-18; 8:45 am]

**BILLING CODE 7590-01-P**

## POSTAL REGULATORY COMMISSION

[Docket No. ACR2017; Order No. 4323]

### FY 2017 Annual Compliance Report

**AGENCY:** Postal Regulatory Commission.

**ACTION:** Notice.

**SUMMARY:** The Postal Service has filed an Annual Compliance Report on the costs, revenues, rates, and quality of service associated with its products in fiscal year 2017. Within 90 days, the Commission must evaluate that information and issue its determination as to whether rates were in compliance, and whether service standards in effect were met. To assist in this, the Commission seeks public comments on the Postal Service's Annual Compliance Report.

**DATES:** *Comments are due:* February 1, 2018. *Reply Comments are due:* February 12, 2018.

**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.

### SUPPLEMENTARY INFORMATION:

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- I. Introduction
- II. Overview of the Postal Service's FY 2017 ACR
- III. Procedural Steps
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#### I. Introduction

On December 29, 2017, the United States Postal Service (Postal Service) filed with the Commission its Annual Compliance Report (ACR) for fiscal year (FY) 2017, pursuant to 39 U.S.C. 3652.<sup>1</sup> Section 3652 requires submission of data and information on the costs, revenues, rates, and quality of service associated with postal products within 90 days of the closing of each fiscal year. In conformance with other statutory provisions and Commission rules, the ACR includes the Postal Service's FY 2017 Comprehensive Statement, its FY 2017 annual report to the Secretary of the Treasury on the Competitive Products Fund, and certain related Competitive Products Fund material. *See respectively*, 39 U.S.C. 3652(g), 39 U.S.C. 2011(i), and 39 CFR 3060.20-23. In line with past practice, some of the material in the FY 2017 ACR appears in non-public annexes.

The filing begins a review process that results in an Annual Compliance Determination (ACD) issued by the Commission to determine whether Postal Service products offered during FY 2017 were in compliance with applicable title 39 requirements.

#### II. Overview of the Postal Service's FY 2017 ACR

*Contents of the filing.* The Postal Service's FY 2017 ACR consists of a 77-page narrative; extensive additional material appended as separate folders and identified in Attachment One; and an application for non-public treatment of certain materials, along with supporting rationale, filed as Attachment Two. The filing also includes the Comprehensive Statement,<sup>2</sup> Report to the Secretary of

<sup>1</sup> United States Postal Service FY 2017 Annual Compliance Report, December 29, 2017 (FY 2017 ACR). Public portions of the Postal Service's filing are available on the Commission's website at <http://www.prc.gov>.

<sup>2</sup> In years prior to 2013, the Commission reviewed the Postal Service's reports prepared pursuant to 39 U.S.C. 2803 and 39 U.S.C. 2804 (filed as the Comprehensive Statement by the Postal Service) in its ACD. However, as it has for the past several years, the Commission intends to issue a separate notice soliciting comments on the comprehensive

the Treasury, and information on the Competitive Products Fund filed in response to Commission rules. This material has been filed electronically with the Commission, and some also has been filed in hard copy form.

*Scope of the filing.* The material appended to the narrative consists of: (1) Domestic product costing material filed on an annual basis summarized in the Cost and Revenue Analysis (CRA); (2) comparable international costing material summarized in the International Cost and Revenue Analysis (ICRA); (3) worksharing-related cost studies; and (4) billing determinant information for both domestic and international mail. FY 2017 ACR at 2–3. Inclusion of these four data sets is consistent with the Postal Service's past ACR practices. As with past ACRs, the Postal Service has split certain materials into public and non-public versions. *Id.* at 3.

*“Roadmap” document.* A roadmap to the FY 2017 ACR can be found in Library Reference USPS–FY17–9. This document provides brief descriptions of the materials submitted, as well as the flow of inputs and outputs among them; a discussion of differences in methodology relative to Commission methodologies in last year's ACD; and a list of special studies and a discussion of obsolescence, as required by Commission rule 3050.12. *Id.* at 3.

*Methodology.* The Postal Service states that it has adhered to the methodologies historically used by the Commission subject to changes identified and discussed in Library Reference USPS–FY17–9 and in prefaces accompanying the appended folders. *Id.* at 4. The Postal Service observes that one noteworthy methodological change regarding product costs was discussed by the Commission in Order No. 3506.<sup>3</sup> Going forward, the Postal Service's calculation of attributable costs will be changing to include a product's inframarginal costs developed as part of the estimation of a product's incremental costs. FY 2017 ACR at 4. As a consequence, the costs labeled as attributable costs in each row of the FY 2017 CRA are not directly comparable to costs reported with the same label in the CRAs filed prior to FY 2016. *Id.*

*Market dominant product-by-product costs, revenues, and volumes.* Comprehensive cost, revenue, and

volume data for all market dominant products of general applicability are shown directly in the FY 2017 CRA or ICRA. *Id.* at 7.

The FY 2017 ACR includes a discussion by class of each market dominant product, including costs, revenues, and volumes, workshare discounts, and passthroughs responsive to 39 U.S.C. 3652(b), and FY 2017 incentive programs. *Id.* at 7–48.

In response to the Commission's FY 2010 ACD directives,<sup>4</sup> the Postal Service states that it is providing information regarding: (1) All operational changes designed to reduce flats costs and the estimated financial effects of such changes (*id.* at 25–31); (2) all costing methodology improvements made in FY 2017 and the estimated financial effects of such changes (*id.* at 31–35); and (3) a statement summarizing the historical and current year subsidy of the flats product (*id.* at 35). In addition, the Postal Service states that in the next general market dominant price change, it plans to increase the price of Standard Mail Flats by at least consumer price index times 1.05. *Id.* at 24. In the FY 2016 ACD, the Commission directed the Postal Service to submit an updated report analyzing how the removal of Flats Sequencing System pricing in Docket No. R2017–1 impacted the cost, contribution, and revenue of periodicals in FY 2017, and whether the removal improved the efficiency of Periodicals pricing in FY 2017.<sup>5</sup> The Postal Service provides its updated report in Library Reference USPS–FY17–44. FY 2017 ACR at 39.

*Market dominant negotiated service agreements.* The FY 2017 ACR presents information on the PHI Acquisitions, Inc. negotiated service agreement (NSA), the only market dominant NSA in effect in FY 2017. *Id.* at 46–47.

*Service performance.* The Postal Service notes that the Commission issued rules on periodic reporting of service performance measurement and customer satisfaction in FY 2010. Responsive information appears in Library Reference USPS–FY17–29. *Id.* at 49.

*Customer satisfaction.* The FY 2017 ACR discusses the Postal Service's approach for measuring customer experience and satisfaction; describes the methodology; presents a table with survey results; compares the results from FY 2016 to FY 2017; and provides

information regarding customer access to postal services. *Id.* at 54–65.

*Competitive products.* The FY 2017 ACR provides costs, revenues, and volumes for competitive products of general applicability in the FY 2017 CRA or ICRA. For competitive products not of general applicability, data are provided in non-public Library References USPS–FY17–NP2 and USPS–FY17–NP27. *Id.* at 66. The FY 2017 ACR also addresses the competitive product pricing standards of 39 U.S.C. 3633. *Id.* at 66–73. Additionally, the Postal Service responds to the Commission's Directive in the FY 2016 ACD requiring it to identify each NSA product that had no mailpieces shipped under its contract in future ACRs. FY 2016 ACD at 83. This information is provided in USPS–FY17–NP27 (for domestic NSAs) and USPS–FY17–NP2 (for international NSAs). *Id.* at 74.

*Market tests; nonpostal services.* The Postal Service discusses the two competitive market tests conducted during FY 2017 and nonpostal services. *Id.* at 75.

### III. Procedural Steps

*Statutory requirements.* Section 3653 of title 39 requires the Commission to provide interested persons with an opportunity to comment on the ACR and to appoint an officer of the Commission (Public Representative) to represent the interests of the general public. The Commission hereby solicits public comment on the Postal Service's FY 2017 ACR and on whether any rates or fees in effect during FY 2017 (for products individually or collectively) were not in compliance with applicable provisions of chapter 36 of title 39 or Commission regulations promulgated thereunder. Commenters addressing market dominant products are referred in particular to the applicable requirements (39 U.S.C. 3622(d) and (e) and 39 U.S.C. 3626); objectives (39 U.S.C. 3622(b)); and factors (39 U.S.C. 3622(c)). Commenters addressing competitive products are referred to 39 U.S.C. 3633.

The Commission also invites public comment on the cost coverage matters the Postal Service addresses in its filing; service performance results; levels of customer satisfaction achieved; and such other matters that may be relevant to the Commission's review.

*Access to filing.* The Commission has posted the publicly available portions of the FY 2017 ACR on its website at <http://www.prc.gov>.

*Comment deadlines.* Comments by interested persons are due on or before February 1, 2018. Reply comments are

statement and provide its related analysis in a separate report from the ACD.

<sup>3</sup> *Id.*; see Docket No. RM2016–2, Order Concerning United Parcel Service, Inc.'s Proposed Changes to Postal Service Costing Methodologies (UPS Proposals One, Two, and Three), September 9, 2016 (Order No. 3506).

<sup>4</sup> Docket No. ACR2010, Annual Compliance Determination, March 29, 2011, at 106–107 (FY 2010 ACD).

<sup>5</sup> Docket No. ACR2016, Annual Compliance Determination, March 28, 2017, at 22 (FY 2016 ACD).

due on or before February 12, 2018. The Commission, upon completion of its review of the FY 2017 ACR, comments, and other data and information submitted in this proceeding, will issue its ACD.

*Public Representative.* Mallory L. Smith is designated to serve as the Public Representative to represent the interests of the general public in this proceeding. Neither the Public Representative nor any additional persons assigned to assist her shall participate in or advise as to any Commission decision in this proceeding other than in his or her designated capacity.

#### IV. Ordering Paragraphs

*It is ordered:*

1. The Commission establishes Docket No. ACR2017 to consider matters raised by the United States Postal Service's FY 2017 Annual Compliance Report.

2. Pursuant to 39 U.S.C. 505, the Commission appoints Mallory L. Smith as an officer of the Commission (Public Representative) in this proceeding to represent the interests of the general public.

3. Comments on the United States Postal Service's FY 2017 Annual Compliance Report to the Commission are due on or before February 1, 2018.

4. Reply comments are due on or before February 12, 2018.

5. The Secretary shall arrange for publication of this order in the **Federal Register**.

By the Commission.

**Stacy L. Ruble,**

*Secretary.*

[FR Doc. 2018-00082 Filed 1-5-18; 8:45 am]

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#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82425; File No. SR-Phlx-2017-74]

#### Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Withdrawal of a Proposed Rule Change To Introduce the Intellicator Analytic Tool

January 2, 2018.

On September 20, 2017, Nasdaq PHLX LLC ("Phlx" or "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 introduce the Intellicator

Analytic Tool. The proposed rule change was published for comment in the **Federal Register** on October 4, 2017.<sup>3</sup>

On November 15, 2017, 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 approve or disapprove the proposed rule change.<sup>5</sup> The Commission received three comment letters on the proposed rule change and a response from the Exchange.<sup>6</sup>

On December 22, 2017, the Exchange withdrew the proposed rule change (SR-PHLX-2017-74).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

[FR Doc. 2018-00073 Filed 1-5-18; 8:45 am]

**BILLING CODE 8011-01-P**

#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82430; File No. SR-NSCC-2017-017]

#### Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing of a Proposed Rule Change To Adopt a Recovery & Wind-down Plan and Related Rules

January 2, 2018.

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> notice is hereby given that on December 18, 2017, National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule

<sup>3</sup> See Securities Exchange Act Release No. 81754 (Sept. 28, 2017), 82 FR 46319.

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

<sup>5</sup> See Securities Exchange Act Release No. 82085, 82 FR 55459 (Nov. 21, 2017).

<sup>6</sup> See Letter from Ellen Greene, Managing Director, Financial Services Operations, Securities Industry and Financial Markets Association, to Brent J. Fields, Secretary, Commission, dated November 8, 2017; Letter from Tyler Neville, Trader, dated November 21, 2017; Letter from Joanna Mallers, Secretary, FIA Principal Traders Group, to Brent J. Fields, Secretary, Commission, dated December 19, 2017; and Letter from Joan C. Conley, Senior Vice President & Corporate Secretary, Nasdaq, to Brent J. Fields, Secretary, Commission, dated December 22, 2017, available at <https://www.sec.gov/comments/sr-phlx-2017-74/phlx201774.htm>.

<sup>7</sup> 17 CFR 200.30-3(a)(31).

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

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

change as described in Items I, II and III below, which Items have been prepared by the clearing agency.<sup>3</sup> The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change would (1) adopt the Recovery & Wind-down Plan of NSCC ("R&W Plan" or "Plan"); and (2) amend NSCC's Rules & Procedures ("Rules")<sup>4</sup> in order to adopt Rule 41 (Corporation Default), Rule 42 (Wind-down of the Corporation), and Rule 60 (Market Disruption and Force Majeure) (each a "Proposed Rule" and, collectively, the "Proposed Rules"). The proposed rule change would also renumber the current Rule 42 (Wind-down of a Member, Fund Member or Insurance Carrier/Retirement Services Member) to Rule 40, which is currently reserved for future use.

The R&W Plan would be maintained by NSCC in compliance with Rule 17Ad-22(e)(3)(ii) under the Act, by providing plans for the recovery and orderly wind-down of NSCC necessitated by credit losses, liquidity shortfalls, losses from general business risk, or any other losses, as described below.<sup>5</sup> The Proposed Rules are designed to (1) facilitate the implementation of the R&W Plan when necessary and, in particular, allow NSCC to effectuate its strategy for winding down and transferring its business; (2) provide Members and Limited Members with transparency around critical provisions of the R&W Plan that relate to their rights, responsibilities and obligations; and (3) provide NSCC with the legal basis to implement those provisions of the R&W Plan when necessary, as described below.

#### II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the clearing agency included statements concerning the purpose of and basis for

<sup>3</sup> On December 18, 2017, NSCC filed this proposed rule change as an advance notice (SR-NSCC-2017-805) with the Commission pursuant to Section 806(e)(1) of Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act entitled the Payment, Clearing, and Settlement Supervision Act of 2010, 12 U.S.C. 5465(e)(1), and Rule 19b-4(n)(1)(i) of the Act, 17 CFR 240.19b-4(n)(1)(i). A copy of the advance notice is available at <http://www.dtcc.com/legal/sec-rule-filings>.

<sup>4</sup> Capitalized terms used herein and not otherwise defined herein are defined in the Rules, available at [www.dtcc.com/-/media/Files/Downloads/legal/rules/nsc\\_rules.pdf](http://www.dtcc.com/-/media/Files/Downloads/legal/rules/nsc_rules.pdf).

<sup>5</sup> 17 CFR 240.17Ad-22(e)(3)(ii).

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

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