

TABLE I-1—PROPOSED PRICE CHANGES—Continued

Product name	Average price increase (percent)
Return Sectional Center Facility .....	7.3
Return Delivery Unit .....	6.4
First-Class Package Service Commercial .....	11.9
Retail .....	13.3
Retail Ground .....	3.9
<b>Domestic Extra Services</b>	
Premium Forwarding Service Enrollment Fee .....	4.9–11.1
Adult Signature Service Basic .....	8.5
Person-Specific .....	8.3
Competitive Post Office Box Package Intercept Service ...	10.0
	4.8
<b>International Competitive Products</b>	
Global Express Guaranteed Priority Mail Express International .....	4.9
Priority Mail International .....	3.9
Priority Mail International .....	3.9
International Priority Airmail International Priority Airmail M-Bags .....	19.9
International Surface Air Lift International Surface Air Lift M-Bags .....	19.9
Airmail M-Bags .....	19.9
First-Class Package International Service .....	5.0
	3.9
<b>International Ancillary Services and Special Services</b>	
International Ancillary Services .....	10.4

Source: See Governors' Decision No. 18-1 at 2-5; Mail Classification Schedule sections 2105.6, 2110.6, 2115.6, 2125.6, 2135.6, 2305.6, 2315.6, 2335.6, and 2510.9.6.

**II. Initial Administrative Actions**

The Commission establishes Docket No. CP2019-3 to consider the Postal Service's Notice. Interested persons may express views and offer comments on whether the planned changes are consistent with 39 U.S.C. 3632, 3633, and 3642, 39 CFR part 3015, and 39 CFR 3020 subparts B and E. Comments are due no later than October 25, 2018. For specific details of the planned price changes, interested persons are encouraged to review the Notice, which is available on the Commission's website at [www.prc.gov](http://www.prc.gov).

Pursuant to 39 U.S.C. 505, Lawrence Fenster is appointed to serve as Public Representative to represent the interests of the general public in this docket.

**III. Ordering Paragraphs**

It is ordered:

1. The Commission establishes Docket No. CP2019-3 to provide interested persons an opportunity to express views and offer comments on whether the planned changes are consistent with 39 U.S.C. 3632, 3633, and 3642, 39 CFR part 3015, and 39 CFR 3020 subparts B and E.

2. Comments are due no later than October 25, 2018.

3. Pursuant to 39 U.S.C. 505, the Commission appoints Lawrence Fenster to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this docket.

4. The Secretary shall arrange for publication of this Order in the **Federal Register**.

By the Commission.

**Stacy L. Ruble,**  
Secretary.

[FR Doc. 2018-22542 Filed 10-16-18; 8:45 am]

**BILLING CODE 7710-FW-P**

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-84411; File No. SR-NYSE-2018-47]

**Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Fees for Routing Orders in UTP Securities Priced Below \$1.00**

October 11, 2018.

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 October 1, 2018, 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 Substance of the Proposed Rule Change**

The Exchange proposes to amend its Price List to amend the fees for routing orders in UTP Securities priced below \$1.00. The Exchange proposes to implement these changes to its Price List effective October 1, 2018. The

<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.

proposed rule change is available on the Exchange's website at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, and at the Commission's Public Reference Room.

**II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

**A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change**

**1. Purpose**

The Exchange proposes to amend its Price List to amend the fees for routing orders in UTP Securities priced below \$1.00.

The Exchange proposes to implement these changes to its Price List effective October 1, 2018.

Currently, for executions in securities with a price below \$1.00 that route to and execute on an Away Market,<sup>4</sup> the Exchange charges a fee of 0.30% of the total dollar value of the transaction for executions in an Away Market auction as well as all other executions.

The Exchange proposes to amend this fee to charge \$0.0005 per share execution in an NYSE American auction, \$0.0010 per share execution in an Away Market auction at venues other than NYSE American, and 0.30% of total dollar value of the transaction for all other executions.

\* \* \* \* \*

The proposed changes are not otherwise intended to address any other issues, and the Exchange is not aware of any problems that member organizations would have in complying with the proposed change.

**2. Statutory Basis**

The Exchange believes that the proposed rule change is consistent with

<sup>4</sup> The term "Away Market" is defined in Rule 1.1(ff) to mean any exchange, alternative trading system ("ATS") or other broker-dealer (1) with which the Exchange maintains an electronic linkage, and (2) that provides instantaneous responses to orders routed from the Exchange.

Section 6(b) of the Act,<sup>5</sup> in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,<sup>6</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 its proposed routing fees of \$0.0005 per share for NYSE American and \$0.0010 per share for venues other than NYSE American for securities with a price under \$1.00 are reasonable, equitable and not an unfairly discriminatory allocation of fees because the fees would be applicable to all member organizations in an equivalent manner. Moreover, the proposed fees for routing shares are also reasonable, equitable and not unfairly discriminatory because the proposal would align routing fees with fees for away market auctions. For example, NYSE American charges \$0.0005 per share for executions at the open and close for securities below \$1.00<sup>7</sup> and BZX charges 0.00100 per share for closing auctions in BZX listed securities.<sup>8</sup> Further, the proposal to charge a fee of 0.30% of total dollar value for transactions for all other executions in securities with a price under \$1.00 is reasonable, equitable and not unfairly discriminatory because it is consistent with fees charged on other exchanges.<sup>9</sup>

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 the foregoing 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>10</sup> the Exchange believes that the proposed rule change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Instead, the Exchange believes that the proposed

change would foster liquidity provision and stability in the marketplace, thereby promoting price discovery and transparency and enhancing order execution opportunities for member organizations. In this regard, the Exchange believes that the transparency and competitiveness of attracting additional executions on an exchange market would encourage competition between the Exchange and other execution venues, including those that currently offer similar order types and comparable transaction pricing, by encouraging additional orders to be sent to the Exchange for execution.

Finally, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees and rebates to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees and credits in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited. As a result of all of these considerations, the Exchange does not believe that the proposed changes will impair the ability of member organizations or competing order execution venues to maintain their competitive standing in the financial markets.

#### *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>11</sup> of the Act and subparagraph (f)(2) of Rule 19b-4<sup>12</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>13</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 Number SR-NYSE-2018-47 on the subject line.

##### *Paper Comments*

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090. All submissions should refer to File Number SR-NYSE-2018-47. 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 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

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

<sup>6</sup> 15 U.S.C. 78f(b)(4) & (5).

<sup>7</sup> See [https://www.nyse.com/publicdocs/nyse/markets/nyse-american/NYSE\\_America\\_Equities\\_Price\\_List.pdf](https://www.nyse.com/publicdocs/nyse/markets/nyse-american/NYSE_America_Equities_Price_List.pdf).

<sup>8</sup> See [https://markets.cboe.com/us/equities/membership/fee\\_schedule/bzx/](https://markets.cboe.com/us/equities/membership/fee_schedule/bzx/).

<sup>9</sup> NASDAQ, for example, charges a fee of 0.30% (i.e. 30 basis points) of total dollar volume to remove liquidity for shares executed below \$1.00. See NASDAQ Fee Schedule at <http://www.nasdaqtrader.com/Trader.aspx?id=PriceListTrading2>.

<sup>10</sup> 15 U.S.C. 78f(b)(8).

<sup>11</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>12</sup> 17 CFR 240.19b-4(f)(2).

<sup>13</sup> 15 U.S.C. 78s(b)(2)(B).

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–NYSE–2018–47 and should be submitted on or before November 7, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>14</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

[FR Doc. 2018–22539 Filed 10–16–18; 8:45 am]

**BILLING CODE 8011–01–P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–84410; File No. SR–LCH SA–2018–004]

### Self-Regulatory Organizations; LCH SA; Order Approving Proposed Rule Change Relating to Implementation of Electronic Exercise Platform

October 11, 2018.

#### I. Introduction

On August 24, 2018, Banque Centrale de Compensation, which conducts business under the name LCH SA (“LCH SA”), 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 (the “Proposed Rule Change”) to amend its (i) CDS Clearing Rule Book (“Rule Book”), (ii) CDS Clearing Supplement (“Supplement”), and (iii) CDS Clearing Procedures (“Procedures”) to incorporate new terms and to make conforming, clarifying, and clean-up changes to implement a new electronic exercise platform (“EEP”) for the exercise of options on index credit default swaps (“CDS Options”) by Clearing Members and their Clients. The proposed rule change was published for comment in the **Federal Register** on September 5, 2018.<sup>3</sup> The Commission has not received any comments on the proposed rule change. For the reasons

discussed below, the Commission is approving the proposed rule change.

#### II. Description of the Proposed Rule Change

The proposed rule change would create an EEP for CDS Options to capture and support decisions to exercise CDS Options by Clearing Members and their Clients.<sup>4</sup> Currently, LCH SA matches a Clearing Member or Client holding the option to either buy or sell protection on the underlying index credit default swap (“CDS”) (“CDS Option buyer”), with a Clearing Member or Client obligated to either buy or sell protection, as applicable, on the underlying index CDS (“CDS Option seller”) (this transaction is a “matched pair”).<sup>5</sup> The creation of the matched pair allows the CDS Option buyer to exercise or abandon the CDS Option. If the CDS Option buyer exercises the CDS Option, the CDS Option buyer must notify the CDS Option seller manually via email and then inform LCH SA that the exercise notice has been successfully delivered. LCH SA then manually executes the exercise decisions and updates its risk system.

Under the proposed rule change, LCH would still create matched pairs to allow the exercise or abandonment of a CDS Option. The proposed rule change would, however, eliminate the manual notification process between the CDS Option buyer and CDS Option seller by providing, through the EEP, an electronic process for exercising CDS Options. Specifically, a CDS Option buyer would submit an intent through the EEP to either exercise or abandon the CDS Option (“Option Intent”). If validly submitted before the expiration date of the CDS Option, the Option Intent would serve as notice to the CDS Option seller that the CDS Option buyer is going to exercise or abandon the CDS Option. The proposed rule change would require Clearing Members and Clients to use the EEP system to exercise CDS Options. The proposed rule change would also require Clearing Members to delegate to Clients the ability to directly exercise CDS Options related to their cleared transactions (“Client Cleared Transactions”). The EEP would capture CDS Option buyers’ exercise decisions in real time and notify the relevant CDS Option sellers in real time. In addition,

<sup>4</sup> Capitalized terms used herein but not otherwise defined have the meaning set forth in the Rule Book, Supplement, and Procedures, which are available at <https://www.lch.com/resources/rules-and-regulations/sa-rulebooks>.

<sup>5</sup> For more information regarding the operation of CDS Options, see Exchange Act Release No. 34–82109 (Nov. 17, 2017), 82 FR 55905 (Nov. 24, 2017) (SR–LCH SA 2017–006; SR–LCH SA–2017–007).

the EEP would validate and check exercise decisions and facilitate the anonymous exercise of CDS Options.

The proposed rule change would create and implement the EEP through amendments to LCH SA’s Rule Book, Supplement, and Procedures. These amendments are summarized below according to how they affect: (i) The exercise of CDS Options directly by Clients; (ii) the operational process for the exercise of CDS Options in the EEP; and (iii) technical specifications of the EEP. The proposed rule change would also make other changes to the Rule Book, Supplement, and Procedures, as discussed below.

#### A. Exercise of CDS Options Directly by Clients

The proposed rule change would add new provisions to allow for the exercise of CDS Options in the EEP directly by Clients.<sup>6</sup> Specifically, with respect to those CDS Options transactions that are Client Cleared Transactions, new Section 6.4 of the Supplement would require Clearing Members to designate their relevant Clients to act on their behalf via the EEP.<sup>7</sup> The Client so designated would be the Exercise Delegation Beneficiary. Moreover, the proposed rule change would amend the Rule Book to require that Clearing Members delegate to their Clients sufficient power to act on their behalf via the EEP and to ensure that their Clients have created an account in the LCH Portal for use of the EEP (“Client Portal Account”) before delegating such power.<sup>8</sup> Finally, the proposed rule change would amend the Rule Book to require Clients to exercise their delegated power only through their Client Portal Account unless the EEP is or will be unavailable for the exercise of CDS Options (an “EEP Failure Event”).<sup>9</sup>

The proposed rule change would add similar provisions to Appendix VIII of the Supplement. Appendix VIII provides mandatory provisions that are incorporated into transactions between a Clearing Member and its Client. Changes to Appendix VIII are necessary to incorporate the conditions described above directly into the terms of the transaction between a Clearing Member and its Client. Specifically, the proposed rule change would add new Section 5, which would provide that the Clearing Member and its Client agree that the Clearing Member will designate

<sup>6</sup> The proposed rule change would also apply these provisions to FCM Clearing Members who clear credit-default swaps and CDS Options for their Clients. Notice, 83 FR at 45156.

<sup>7</sup> Notice, 83 FR at 45158.

<sup>8</sup> Notice, 83 FR at 45156.

<sup>9</sup> *Id.*

<sup>14</sup> 17 CFR 200.30–3(a)(12).

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

<sup>2</sup> 17 CFR 240.19b–4.

<sup>3</sup> Securities Exchange Act Release No. 34–83983 (Aug. 29, 2018), 83 FR 45155 (Sept. 5, 2018) (SR–LCH SA–2018–004) (“Notice”).