

particular situation. Moreover, no commenters voiced opposition to the Postal Service's suggested approach.

Nonetheless, the issues raised by the Postal Service's filing need to be addressed on a holistic basis. Therefore, the Commission will be initiating a rulemaking to solicit public comment on how a rate decrease should affect the cap calculation and unused rate adjustment authority in the future, as well as how to deal with the rounding issue discussed above.

The Commission's action in this case should not be construed as a finding that the Commission does not have authority under either the PAEA or its rules to apply the compliance cap calculation or adjust the Postal Service's unused rate adjustment authority in cases where there is a rate decrease. As the Postal Service correctly notes, "[w]hile the statute clearly does not require that the price cap structure established by section 3622(d) apply to a mid-year decrease, this does not mean that the statute affirmatively forecloses the Commission from deciding that the Postal Service's price adjustment authority may in certain circumstances be altered as a result of such a decrease." The Commission's determination that the price cap should not apply in this case is limited to the narrow, unique factual situation at issue here.

The rates resulting from this proceeding will be used as the base rates for the next cap calculation for the Standard Mail class. The unused rate adjustment authority for the Standard Mail class remains at 0.103.

*Objectives and factors.* Pursuant to the Commission's rules, 39 CFR 3010.14(b)(7), the Postal Service addresses how this proposed rate adjustment helps achieve the objectives of 39 U.S.C. 3622(b) and takes into account the factors of 39 U.S.C. 3622(c). The Postal Service lists and discusses what it considers the relevant objectives and factors of 39 U.S.C. 3622 to the proposed price adjustment. *Id.* at 4–8. It believes that, at most, the price reductions will cause only a modest decrease in Postal Service revenues, and could potentially avoid diversion to non-postal delivery of large volumes of mail currently paying High Density flats prices.

The Commission finds that, under the circumstances of this case, the objectives and factors in 39 U.S.C. 3622(b) and (c) appear to be satisfied by explanations and data in the Request.

*Workshare discounts.* 39 U.S.C. 3622(e) requires that workshare discounts given by the Postal Service do not exceed their avoided costs unless

certain criteria are fulfilled. The Postal Service maintains its view that the price differences between the High Density categories and the Saturation and Carrier Route categories are not workshare discounts. It recognizes that the Commission has instituted Docket No. RM2009–3 to consider that issue. In this case, the Postal Service provided in Appendix B (and an associated Excel file) a table showing the cost and price differences, as well as passthroughs for Carrier Route, High Density, and Saturation flats (both commercial and nonprofit) following the proposed adjustments to the prices of High Density flats. The Postal Service notes that none of the passthroughs exceeds 100 percent, so the limitations of section 3622(e) do not apply. It explains that all of the passthroughs for the High Density/Carrier Route relationship are slightly higher and the passthroughs for the High Density/Saturation relationship are slightly lower than those reported in Docket No. R2009–2 due to the instant proposed High Density flats price reduction.

The Commission finds that the rate changes have only a minor effect on the passthroughs approved just a few months ago and they do not cause any of the affected "passthroughs" to exceed 100 percent. Thus, the requirements of section 3622(e) are satisfied here.<sup>11</sup>

*Preferred rates.* 39 U.S.C. 3626 requires that nonprofit categories of products shall be set to yield 60 percent of the per-piece revenue of their commercial counterparts. The Postal Service explains that nonprofit High Density flats receive the same price reductions as commercial flats. Due to the fact that the proposed price changes apply to both commercial and nonprofit flats and due to the small volumes of High Density nonprofit flats, the Postal Service submits that the required 60 percent ratio, required under 39 U.S.C. 3626, between commercial and nonprofit prices is not altered as a result of the proposed price adjustment.

As the current commercial/nonprofit price ratio is not altered as a result of the proposed price adjustment, the Commission finds that the required 60 percent differential will be maintained.

#### V. Ordering Paragraphs

A full review of the United States Postal Service Notice of Market-Dominant Price Adjustment with respect to Standard Mail High Density flats, filed June 1, 2009, has been

<sup>11</sup> As the Postal Service notes, the Commission is currently considering whether the relationship between High Density and Saturation mailpieces is to be considered "worksharing" for purposes of 39 U.S.C. 3622(e) in Docket No. RM2009–3.

completed. With regard to the price adjustments contained therein, for the reasons set forth above

*It is ordered:*

1. The Commission approves the Standard Mail High Density flats rate adjustment.

2. The rates resulting from this proceeding will be used as the base rates for the next cap calculation for the Standard Mail class.

3. The unused rate adjustment authority for the Standard Mail class remains at 0.103.

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

Issued: July 1, 2009.

By the Commission.

**Judith M. Grady,**

*Acting Secretary.*

[FR Doc. E9–16783 Filed 7–14–09; 8:45 am]

BILLING CODE 7710–FW–P

## SECURITIES AND EXCHANGE COMMISSION

### Proposed Collection; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Investor Education and Advocacy, Washington, DC 20549–0213.

#### *Extension:*

Rule 206(3)–2; SEC File No. 270–216; OMB Control No. 3235–0243.

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (the "Commission") is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget for extension and approval.

Rule 206(3)–2, (17 CFR 275.206(3)–2) which is entitled "Agency Cross Transactions for Advisory Clients," permits investment advisers to comply with section 206(3) of the Investment Advisers Act of 1940 (the "Act") (15 U.S.C. 80b–6(3)) by obtaining a client's blanket consent to enter into agency cross transactions (*i.e.*, a transaction in which an adviser acts as a broker to both the advisory client and the opposite party to the transaction), provided that certain disclosures are made to the client. Rule 206(3)–2 applies to all registered investment advisers. In relying on the rule, investment advisers must provide certain disclosures to their clients. Advisory clients can use the

disclosures to monitor agency cross transactions that affect their advisory account. The Commission also uses the information required by Rule 206(3)-2 in connection with its investment adviser inspection program to ensure that advisers are in compliance with the rule. Without the information collected under the rule, advisory clients would not have information necessary for monitoring their adviser's handling of their accounts and the Commission would be less efficient and effective in its inspection program.

The information requirements of the rule consist of the following: (1) Prior to obtaining the client's consent appropriate disclosure must be made to the client as to the practice of, and the conflicts of interest involved in, agency cross transactions; (2) at or before the completion of any such transaction the client must be furnished with a written confirmation containing specified information and offering to furnish upon request certain additional information; and (3) at least annually, the client must be furnished with a written statement or summary as to the total number of transactions during the period covered by the consent and the total amount of commissions received by the adviser or its affiliated broker-dealer attributable to such transactions.

The Commission estimates that approximately 631 respondents use the rule annually, necessitating about 32 responses per respondent each year, for a total of 20,192 responses. Each response requires an estimated 0.5 hours, for a total of 10,096 hours. The estimated average burden hours are made solely for the purposes of the Paperwork Reduction Act and are not derived from a comprehensive or representative survey or study of the cost of Commission rules and forms.

This collection of information is found at (17 CFR 275.206(3)-2) and is necessary in order for the investment adviser to obtain the benefits of Rule 206(3)-2. The collection of information requirements under the rule is mandatory. Information subject to the disclosure requirements of Rule 206(3)-2 does not require submission to the Commission; and, accordingly, the disclosure pursuant to the rule is not kept confidential. Commission-registered investment advisers are required to maintain and preserve certain information required under Rule 206(3)-2 for five (5) years. The long-term retention of these records is necessary for the Commission's inspection program to ascertain compliance with the Act.

An agency may not conduct or sponsor, and a person is not required to

respond to a collection of information unless it displays a currently valid control number.

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

Please direct your written comments to Charles Boucher, Director/CIO, Securities and Exchange Commission, C/O Shirley Martinson, 6432 General Green Way, Alexandria, VA 22312; or send an e-mail to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov). Comments must be submitted to OMB within 60 days of this notice.

Dated: July 9, 2009.

**Elizabeth M. Murphy**,  
Secretary.

[FR Doc. E9-16712 Filed 7-14-09; 8:45 am]

**BILLING CODE 8010-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-60266; File No. SR-BATS-2009-022]

### Self-Regulatory Organizations; BATS Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend BATS Rule 11.9, Entitled "Orders and Modifiers"

July 9, 2009.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 ("Act")<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that on July 6, 2009, BATS Exchange, Inc. (the "Exchange" or "BATS") 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 Exchange. The Exchange has designated this proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>4</sup> and Rule 19b-4(f)(6)(iii) thereunder,<sup>5</sup> which renders it effective

<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.

<sup>4</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>5</sup> 17 CFR 240.19b-4(f)(6)(iii).

upon filing with the Commission. 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 make modifications to the existing technology that it provides to a User that wishes to avoid trading against orders from that same User ("Member Match Trade Prevention" or "MMTP"). The text of the proposed rule change is available from the Exchange's Web site at <http://www.batstrading.com>, at the Exchange's principal office, 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 Exchange 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 these 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 offer Member Match Trade Prevention, or MMTP, to Exchange Users pursuant to proposed Rule 11.9(f).<sup>6</sup>

##### Background

The proposed MMTP modifiers are designed to prevent two orders with the same Unique Identifier (as defined below) from executing against each other. The Exchange proposes adding four MMTP modifiers that will be implemented and can be set at the market participant identifier ("MPID"), the Exchange Member identifier or the Exchange Sponsored Participant identifier level (any such identifier, a "Unique Identifier").<sup>7</sup> With one

<sup>6</sup> The Exchange currently offers a basic form of match prevention by allowing a User to request a setting for their connections that prevents incoming orders from interacting with resting orders if both orders originate from the same MPID. The proposed rule expands the functionality offered to Users by providing additional options for match prevention.

<sup>7</sup> Any Exchange Member that has an MPID issued by FINRA is identified in the Exchange's internal