

[FR Doc. 2014-25530 Filed 11-3-14; 8:45 am]

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## POSTAL REGULATORY COMMISSION

[Docket Nos. MC2015-3 and R2015-2; Order No. 2231]

### New Postal Product

**AGENCY:** Postal Regulatory Commission.

**ACTION:** Notice.

**SUMMARY:** The Commission is noticing a recent Postal Service filing concerning an addition of Discover Financial Services Agreement to the market-dominant product list. This notice informs the public of the filing, invites public comment, and takes other administrative steps.

**DATES:** *Comments are due:* November 17, 2014.

**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:

#### Table of Contents

- I. Introduction
- II. Notice of Filing
- III. Ordering Paragraphs

#### I. Introduction

On October 27, 2014, the Postal Service filed a request pursuant to 39 U.S.C. 3622 and 3641, as well as 39 CFR 3010 and 3020, *et seq.*, to add a Discover Financial Services (Discover) negotiated service agreement to the market-dominant product list.<sup>1</sup>

*Request.* In support of its Request, the Postal Service filed a copy of the Board of Governors' Resolution No. 14-07, authorizing a negotiated service agreement with Discover; a copy of the contract; proposed descriptive language changes to the Mail Classification Schedule; a proposed data collection plan; a statement of supporting justification as required by 39 CFR 3020.32, which the Postal Service also asserts satisfies the requirements of 39 CFR 3010.42(b)-(e); and a financial model.

<sup>1</sup> Notice of the United States Postal Service of Filing Request to Add Discover Financial Services Negotiated Service Agreement to the Market-Dominant Product List, October 27, 2014 (Request).

The Postal Service believes that the Discover negotiated service agreement conforms to the policies of the Postal Accountability and Enhancement Act, and meets the statutory standards supporting the desirability of a special classification under 39 U.S.C. 3622(c)(10). *Id.* at 3. In particular, the Postal Service believes the agreement has the potential to enhance the Postal Service's long-term financial position, and it will not cause unreasonable harm to the marketplace. *Id.*

*Related contract.* The Postal Service indicates that the agreement is designed to increase the total aggregate contribution that the Postal Service receives from mail eligible under its agreement with Discover. *Id.* at 5. The Postal Service states that the implementation date of the agreement will be December 1, 2014 or on a date mutually agreed upon by the Postal Service and Discover, and will expire three years from the implementation date, unless otherwise terminated pursuant to the provisions of the agreement.<sup>2</sup> *Id.* at 1; Attachment B at 6.

The Postal Service contends that the agreement consists of the following four key components: (1) Annual revenue growth thresholds; (2) a baseline mail volume; (3) tiered rebates based on aggregate gross revenue; and (4) a nonperformance penalty to be paid if the annual revenue growth threshold is not met. *Id.* at 6-10.

- Discover must meet or exceed annual revenue growth thresholds (*i.e.*, 3-6%) to qualify for specific rebate percentages under a tiered structure. The baseline revenue amount to calculate the annual growth thresholds is \$304,053,073.

- Discover must also meet or exceed a baseline volume amount annually (1,256,212,059 pieces in the first year, subsequent contract years' eligible volume depends on volume in prior years) in order to qualify for a rebate.

- The agreement provides for a tiered rebate structure for a portion of the postage paid for eligible mail if such mail (i) meets or exceeds specified annual revenue thresholds, and (ii) exceeds the aggregate total baseline volume for mail eligible under the agreement. *Id.* at 5. The tier 1 and 2

<sup>2</sup> Pursuant to 39 U.S.C. 3622(c), the Postal Service is required, among other things, to provide public notice of the rate adjustment and provide an opportunity for review by the Commission of at least 45 days before the implementation of any adjustment in rates under section 3622. Accordingly, it initially appears that the implementation date may be no earlier than December 11, 2014, provided the other conditions in Section I.G. of the proposed agreement are satisfied.

rebates are 2.25% and 2.5%, respectively.

- If Discover does not meet the annual revenue growth thresholds provided for in the agreement, Discover must pay the Postal Service a nonperformance penalty of 10% of the difference between the annual revenue growth threshold and the annual revenue actually generated by Discover for mail eligible under the agreement.

*Similarly situated mailers.* With respect to potential similarly situated mailers, the Postal Service states that it is ready to negotiate and implement functionally equivalent agreements with such mailers. *Id.*, Attachment E at 4. It believes that in assessing the desirability of a similar agreement, the defining characteristics of Discover are its size, large aggregate Standard Mail and First Class postage; its expanding Standard Mail advertising volume; and its declining First Class Mail billing and statement volume. *Id.* at 13.

*Notice.* The Postal Service represents that it will inform customers of the new classification changes and associated price effects through publication in the **Federal Register**. *Id.* at 2.

#### II. Notice of Filing

The Commission establishes Docket Nos. MC2015-3 and R2015-2 for consideration of the Request pertaining to the proposed new product and the related contract, respectively.

Interested persons may submit comments on whether the Postal Service's filing in the captioned dockets are consistent with the policies of 39 U.S.C. 3622 and 3642 as well as 39 CFR parts 3010 and 3020. Comments are due no later than November 17, 2014. The filing can be accessed via the Commission's Web site (<http://www.prc.gov>).

The Commission appoints John P. Klingenberg to serve as Public Representative in these dockets.

#### III. Ordering Paragraphs

##### *It is ordered:*

1. The Commission establishes Docket Nos. MC2015-3 and R2015-2 for consideration of the matters raised in each docket.

2. Pursuant to 39 U.S.C. 505, John P. Klingenberg is appointed to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in these proceedings.

3. Comments by interested persons in these proceedings are due no later than November 17, 2014.

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

By the Commission.

**Shoshana M. Grove,**

*Secretary.*

[FR Doc. 2014-26118 Filed 11-3-14; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

### Proposed Collection; Comment Request

#### *Upon Written Request, Copies Available*

From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE., Washington, DC 20549-2736.

#### *Extension:*

Rule 9b-1; SEC File No. 270-429, OMB Control No. 3235-0480.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 ("PRA") (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") is soliciting comments on the existing collection of information provided for in Rule 9b-1, Options Disclosure Document (17 CFR 240.9b-1), under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*). The Commission plans to submit this existing collection of information to the Office of Management and Budget ("OMB") for extension and approval.

Rule 9b-1 (17 CFR 240.9b-1) sets forth the categories of information required to be disclosed in an options disclosure document ("ODD") and requires the options markets to file an ODD with the Commission 60 days prior to the date it is distributed to investors. In addition, Rule 9b-1 provides that the ODD must be amended if the information in the document becomes materially inaccurate or incomplete and that amendments must be filed with the Commission 30 days prior to the distribution to customers. Finally, Rule 9b-1 requires a broker-dealer to furnish to each customer an ODD and any amendments, prior to accepting an order to purchase or sell an option on behalf of that customer.

There are 12 options markets that must comply with Rule 9b-1. These respondents work together to prepare a single ODD covering options traded on each market, as well as amendments to the ODD. These respondents file approximately 3 amendments per year. The staff calculates that the preparation and filing of amendments should take no more than eight hours per options market. Thus, the total time burden for options markets per year is 288 hours (12 options markets × 8 hours per amendment × 3 amendments). The

estimated cost for an in-house attorney is \$380 per hour,<sup>1</sup> resulting in a total internal cost of compliance for these respondents of \$109,440 per year (288 hours at \$380 per hour).

In addition, approximately 1,500 broker-dealers must comply with Rule 9b-1. Each of these respondents will process an average of 3 new customers for options each week and, therefore, will have to furnish approximately 156 ODDs per year. The postal mailing or electronic delivery of the ODD takes respondents no more than 30 seconds to complete for an annual time burden for each of these respondents of 78 minutes or 1.3 hours. Thus, the total time burden per year for broker-dealers is 1,950 hours (1,500 broker-dealers × 1.3 hours). The estimated cost for a general clerk of a broker-dealer is \$57 per hour,<sup>2</sup> resulting in a total internal cost of compliance for these respondents of \$111,150 per year (1,950 hours at \$57 per hour).

The total time burden for all respondents under this rule (both options markets and broker-dealers) is 2,238 hours per year (288 + 1,950), and the total internal cost of compliance is \$220,590 (\$109,440 + \$111,150).

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information 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. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

<sup>1</sup> The \$380 per hour figure for an Attorney is from SIFMA's *Management & Professional Earnings in the Securities Industry 2013*, modified by Commission staff to account for an 1800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead.

<sup>2</sup> The \$57 per hour figure for a General Clerk is from SIFMA's *Office Salaries in the Securities Industry 2013*, modified by Commission staff to account for an 1800-hour work-year and multiplied by 2.93 to account for bonuses, firm size, employee benefits and overhead. The staff believes that the ODD would be mailed or electronically delivered to customers by a general clerk of the broker-dealer or some other equivalent position.

Please direct your written comments to: Thomas Bayer, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549, or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: October 29, 2014.

**Kevin M. O'Neill,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

### Proposed Collection; Comment Request

Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE., Washington, DC 20549-2736.

#### *Extension:*

Form N-PX; SEC File No. 270-524, OMB Control No. 3235-0582.

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.

The title for the collection of information is "Form N-PX (17 CFR 274.129) under the Investment Company Act of 1940, Annual Report of Proxy Voting Record." Rule 30b1-4 (17 CFR 270.30b1-4) under the Investment Company Act of 1940 (15 U.S.C. 80a-1 *et seq.*) requires every registered management investment company, other than a small business investment company registered on Form N-5 ("Funds"), to file Form N-PX not later than August 31 of each year. Funds use Form N-PX to file annual reports with the Commission containing their complete proxy voting record for the most recent twelve-month period ended June 30.

The Commission estimates that there are approximately 2,500 Funds registered with the Commission, representing approximately 10,000 Fund portfolios, which are required to file Form N-PX.<sup>1</sup> The 10,000 portfolios

<sup>1</sup> The estimate of 2,500 Funds is based on the number of management investment companies currently registered with the Commission. We estimate, based on data from the Investment Company Institute and other sources, that there are approximately 5,700 Fund portfolios that invest primarily in equity securities, 500 "hybrid" or bond