

**SUMMARY:** The Commission is noticing a recent Postal Service filing concerning an addition of Priority Mail Contract 113 to the competitive product list. This notice informs the public of the filing, invites public comment, and takes other administrative steps.

**DATES:** *Comments are due:* February 26, 2015.

**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 Commission Action
- III. Ordering Paragraphs

**I. Introduction**

In accordance with 39 U.S.C. 3642 and 39 CFR 3020.30 *et seq.*, the Postal Service filed a formal request and associated supporting information to add Priority Mail Contract 113 to the competitive product list.<sup>1</sup>

The Postal Service contemporaneously filed a redacted contract related to the proposed new product under 39 U.S.C. 3632(b)(3) and 39 CFR 3015.5. *Id.* Attachment B.

To support its Request, the Postal Service filed a copy of the contract, a copy of the Governors' Decision authorizing the product, proposed changes to the Mail Classification Schedule, a Statement of Supporting Justification, a certification of compliance with 39 U.S.C. 3633(a), and an application for non-public treatment of certain materials. It also filed supporting financial workpapers.

**II. Notice of Commission Action**

The Commission establishes Docket Nos. MC2015-33 and CP2015-43 to consider the Request pertaining to the proposed Priority Mail Contract 113 product and the related contract, respectively.

The Commission invites comments on whether the Postal Service's filings in the captioned dockets are consistent with the policies of 39 U.S.C. 3632,

3633, or 3642, 39 CFR part 3015, and 39 CFR part 3020, subpart B. Comments are due no later than February 26, 2015.

The public portions of these filings can be accessed via the Commission's Web site (<http://www.prc.gov>).

The Commission appoints James F. Callow to serve as Public Representative in these dockets.

**III. Ordering Paragraphs**

*It is ordered:*

1. The Commission establishes Docket Nos. MC2015-33 and CP2015-43 to consider the matters raised in each docket.

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

3. Comments are due no later than February 26, 2015.

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

By the Commission.

**Ruth Ann Abrams,**

*Acting Secretary.*

[FR Doc. 2015-03829 Filed 2-24-15; 8:45 am]

**BILLING CODE 7710-FW-P**

**POSTAL SERVICE**

**Product Change—Priority Mail Negotiated Service Agreement**

**AGENCY:** Postal Service™.

**ACTION:** Notice.

**SUMMARY:** The Postal Service gives notice of filing a request with the Postal Regulatory Commission to add a domestic shipping services contract to the list of Negotiated Service Agreements in the Mail Classification Schedule's Competitive Products List.

**DATES:** *Effective date:* February 25, 2015.

**FOR FURTHER INFORMATION CONTACT:** Elizabeth A. Reed, 202-268-3179.

**SUPPLEMENTARY INFORMATION:** The United States Postal Service® hereby gives notice that, pursuant to 39 U.S.C. 3642 and 3632(b)(3), on February 18, 2015, it filed with the Postal Regulatory Commission a *Request of the United States Postal Service to Add Priority Mail Contract 113 to Competitive Product List*. Documents are available at [www.prc.gov](http://www.prc.gov), Docket Nos. MC2015-33, CP2015-43.

**Stanley F. Mires,**

*Attorney, Federal Requirements.*

[FR Doc. 2015-03804 Filed 2-24-15; 8:45 am]

**BILLING CODE 7710-12-P**

**POSTAL SERVICE**

**Product Change—Priority Mail Negotiated Service Agreement**

**AGENCY:** Postal Service™.

**ACTION:** Notice.

**SUMMARY:** The Postal Service gives notice of filing a request with the Postal Regulatory Commission to add a domestic shipping services contract to the list of Negotiated Service Agreements in the Mail Classification Schedule's Competitive Products List.

**DATES:** *Effective date:* February 25, 2015.

**FOR FURTHER INFORMATION CONTACT:** Elizabeth A. Reed, 202-268-3179.

**SUPPLEMENTARY INFORMATION:** The United States Postal Service® hereby gives notice that, pursuant to 39 U.S.C. 3642 and 3632(b)(3), on February 18, 2015, it filed with the Postal Regulatory Commission a *Request of the United States Postal Service to Add Priority Mail Contract 113 to Competitive Product List*. Documents are available at [www.prc.gov](http://www.prc.gov), Docket Nos. MC2015-32, CP2015-42.

**Stanley F. Mires,**

*Attorney, Federal Requirements.*

[FR Doc. 2015-03802 Filed 2-24-15; 8:45 am]

**BILLING CODE 7710-12-P**

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-74323; File No. 4-631]

**Joint Industry Plan; Order Approving the Eighth Amendment to the National Market System Plan To Address Extraordinary Market Volatility by BATS Exchange, Inc., BATS Y-Exchange, Inc., Chicago Board Options Exchange, Incorporated, Chicago Stock Exchange, Inc., EDGA Exchange, Inc., EDGX Exchange, Inc., Financial Industry Regulatory Authority, Inc., NASDAQ OMX BX, Inc., NASDAQ OMX PHLX LLC, The Nasdaq Stock Market LLC, National Stock Exchange, Inc., New York Stock Exchange LLC, NYSE MKT LLC, and NYSE Arca, Inc.**

February 19, 2015.

**I. Introduction**

On December 24, 2014, Financial Industry Regulatory Authority, Inc. ("FINRA"), on behalf of the following parties to the National Market System Plan: BATS Exchange, Inc., BATS Y-Exchange, Inc., Chicago Board Options Exchange, Incorporated, Chicago Stock Exchange, Inc., EDGA Exchange, Inc., EDGX Exchange, Inc., NASDAQ OMX

<sup>1</sup> Request of the United States Postal Service to Add Priority Mail Contract 113 to Competitive Product List and Notice of Filing (Under Seal) of Unredacted Governors' Decision, Contract, and Supporting Data, February 18, 2015 (Request).

BX, Inc., NASDAQ OMX PHLX LLC, the Nasdaq Stock Market LLC, National Stock Exchange, Inc., New York Stock Exchange LLC, NYSE MKT LLC, and NYSE Arca, Inc. (collectively with FINRA, the “Participants”), filed with the Securities and Exchange Commission (“Commission”) pursuant to Section 11A of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 608 thereunder,<sup>2</sup> a proposal to amend the Plan to Address Extraordinary Market Volatility (“Plan”).<sup>3</sup> The proposal represents the eighth amendment to the Plan (“Eighth Amendment”), and reflects proposed changes unanimously approved by the Participants. The Eighth Amendment was published for comment in the **Federal Register** on January 27, 2015.<sup>4</sup> The Commission has received no comment letters regarding the Eighth Amendment. This order approves the Eighth Amendment to the Plan.

## II. Description of the Proposal

### A. Eighth Amendment to the Plan

The Eighth Amendment includes two proposed changes to the Plan. First, the Participants propose to amend the Plan to establish a requirement for the Participants to submit a Supplemental Joint Assessment to the Commission by May 29, 2015. Second, the Participants propose to extend the end date of the pilot period of the Plan from February 20, 2015 to October 23, 2015.

### B. Background and Purpose of the Plan

The Plan, approved by the Commission in March 2012,<sup>5</sup> establishes a market-wide limit up-limit down mechanism that is intended to address extraordinary market volatility in “NMS Stocks,” as defined in Rule 600(b)(47) of Regulation NMS under the Act.<sup>6</sup> The Plan sets forth limit up-limit down requirements designed to prevent trades from occurring outside specified Price Bands.<sup>7</sup> These limit up-limit down requirements are coupled with Trading Pauses, as defined in the Plan, to accommodate more fundamental price moves (as opposed to erroneous trades or momentary gaps in liquidity). The limit up-limit down mechanism is

intended to reduce the negative impacts of sudden, unanticipated price movements in NMS Stocks, such as those experienced on May 6, 2010, thereby protecting investors and promoting a fair and orderly market. The initial date of Plan operations was April 8, 2013.<sup>8</sup>

## III. Discussion and Commission Findings

After careful review, the Commission finds that the Eighth Amendment is consistent with the requirements of the Act and the rules and regulations thereunder.<sup>9</sup> Specifically, the Commission finds that the Eighth Amendment is consistent with Section 11A of the Act<sup>10</sup> and Rule 608 thereunder<sup>11</sup> in that it is appropriate in the public interest, for the protection of investors and the maintenance of fair and orderly markets, and that it removes impediments to, and perfects the mechanism of, a national market system.

The Supplemental Joint Assessment will evaluate the impact of the Plan using the measures set forth in Appendix B of the Plan<sup>12</sup> and provide the Commission with an extensive cross-market data analysis using methodology agreed upon by the Participants.<sup>13</sup> The Participants stated that they intend to engage a third-party consultant to assist in conducting the cross-market analysis and preparing the

Supplemental Joint Assessment.<sup>14</sup> The Participants believe that the Supplemental Joint Assessment will facilitate the development of unified recommendations, if and where appropriate, regarding operation of the Plan.<sup>15</sup> The Participants also state that they intend to make the Supplemental Joint Assessment publicly available.<sup>16</sup>

The Participants further believe that extending the end date of the pilot period will: (i) Provide the Participants with time to use the information collected during the operation of the Plan to perform further analysis and recommend further amendments to the Plan, as necessary; (ii) provide a reasonable period of time for the public to comment on the Supplemental Joint Assessment and recommendations; and (iii) allow the Commission and the public adequate time to review the Supplemental Joint Assessment and any recommendations provided by the Participants, and to determine if any modifications to the Plan are appropriate.<sup>17</sup>

The Commission believes that the Supplemental Joint Assessment and any resulting recommendations for modifications to the Plan from the Participants, along with any public comment in response thereto, will assist the Commission in assessing the operation of the Plan and in considering any future determinations regarding the Plan.

For the reasons noted above, the Commission finds that the Eighth Amendment to the Plan is consistent with Section 11A of the Act<sup>18</sup> and Rule 608 thereunder.<sup>19</sup> The Commission reiterates its expectation that the Participants will continue to monitor the scope and operation of the Plan and study the data produced, and will propose any modifications to the Plan that may be necessary or appropriate.<sup>20</sup>

## IV. Conclusion

*It is therefore ordered*, pursuant to Section 11A of the Act<sup>21</sup> and Rule 608 thereunder,<sup>22</sup> that the Eighth

<sup>8</sup> See Securities Exchange Act Release No. 68953 (February 20, 2013), 78 FR 13113 (February 26, 2013).

<sup>9</sup> In approving the Eighth Amendment, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>10</sup> 15 U.S.C. 78k-1.

<sup>11</sup> 17 CFR 242.608.

<sup>12</sup> Appendix B of the Plan requires the Participants to: (a) Assess the statistical and economic impact on liquidity of approaching Price Bands; (b) assess the statistical and economic impact of the Price Bands on erroneous trades; (c) assess the statistical and economic impact of the appropriateness of the Percentage Parameters used for the Price Bands; (d) assess whether the Limit State is the appropriate length to allow for liquidity replenishment when a Limit State is reached because of a temporary liquidity gap; (e) evaluate concerns from the options markets regarding the statistical and economic impact of Limit States on liquidity and market quality in the options markets; (f) assess whether the process for entering a Limit State should be adjusted and whether Straddle States are problematic; (g) assess whether the process for exiting a Limit State should be adjusted; and (h) assess whether the Trading Pauses are too long or short and whether the reopening procedures should be adjusted.

These areas are intended to capture the key measures necessary to assess the impact of the Plan and, if and where appropriate, to support recommendations relating to the calibration of the Percentage Parameters to help ensure that the stated objectives of the Plan are achieved.

<sup>13</sup> See Notice, *supra*, note 4 at 4323.

<sup>14</sup> See *id.* More recently, however, the Participants notified Commission staff that they have engaged a third-party consultant. Telephone conversation between Chris Grobbel, Attorney-Adviser, Commission, and Thushara Therrien, Director—Transparency Services, FINRA (February 3, 2015).

<sup>15</sup> See Notice, *supra*, note 4 at 4323.

<sup>16</sup> See *id.*

<sup>17</sup> See *id.*

<sup>18</sup> 15 U.S.C. 78k-1.

<sup>19</sup> 17 CFR 242.608.

<sup>20</sup> See Securities Exchange Act Release No. 67091 (May 31, 2012), 77 FR 33498 (June 6, 2012).

<sup>21</sup> 15 U.S.C. 78k-1.

<sup>22</sup> 17 CFR 242.608.

<sup>1</sup> 15 U.S.C. 78k-1.

<sup>2</sup> 17 CFR 242.608.

<sup>3</sup> See Letter from Christopher B. Stone, Vice President, FINRA, to Brent Fields, Secretary, Commission, dated December 24, 2014 (“Transmittal Letter”).

<sup>4</sup> See Securities Exchange Act Release No. 74110 (January 21, 2015), 80 FR 4321 (“Notice”).

<sup>5</sup> See Securities Exchange Act Release No. 67091, 77 FR 33498 (Jun. 6, 2012) (File No. 4-631).

<sup>6</sup> 17 CFR 242.600(b)(47). See also Section I(H) of the Plan.

<sup>7</sup> See Section V of the Plan.

Amendment to the Plan (File No. 4-631) be, and it hereby is, approved.

**Brent J. Fields,**  
Secretary.

[FR Doc. 2015-03875 Filed 2-24-15; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94-409, that the Securities and Exchange Commission will hold a Closed Meeting on Thursday, February 26, 2015 at 2:00 p.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the Closed Meeting. Certain staff members who have an interest in the matters also may be present.

The General Counsel of the Commission, or her designee, has certified that, in her opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (7), 9(B) and (10) and 17 CFR 200.402(a)(3), (5), (7), 9(ii) and (10), permit consideration of the scheduled matter at the Closed Meeting.

Commissioner Stein, as duty officer, voted to consider the items listed for the Closed Meeting in closed session, and determined that no earlier notice thereof was possible.

The subject matter of the Closed Meeting will be:

Institution and settlement of injunctive actions;

Institution and settlement of administrative proceedings; and

Other matters relating to enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting items.

For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact the Office of the Secretary at (202) 551-5400.

Dated: February 20, 2015.

**Brent J. Fields,**  
Secretary.

[FR Doc. 2015-03947 Filed 2-23-15; 11:15 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74302; File No. SR-OCC-2014-23]

### Self-Regulatory Organizations; the Options Clearing Corporation; Order Approving Proposed Rule Change To Clarify That OCC Would Not Treat a Futures Transaction That Is an Exchange-for-Physical or Block Trade as a Non-Competitively Executed Trade if the Exchange on Which Such Trade Is Executed Has Provided OCC With Representations That it Has Policies or Procedures Requiring That Such Trades Be Executed at Reasonable Prices and That Such Price Is Validated by the Exchange

February 19, 2015.

On December 19, 2014, the Options Clearing Corporation (“OCC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change File No. SR-OCC-2014-23 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> The proposed rule change was published for comment in the **Federal Register** on January 6, 2015. <sup>3</sup> The Commission did not receive any comments on the proposed rule change. This order approves the proposed rule change.

#### I. Description

OCC is modifying its By-Laws to add an interpretation and policy to Section 7 of Article XII of its By-Laws to clarify that OCC will not treat a futures transaction that is an exchange-for-physical (“EFP”) <sup>4</sup> or block trade in futures (“Block Trade”) <sup>5</sup> as a non-competitively executed trade, and therefore subject to delayed novation, if the exchange on which the EFP or Block Trade is executed has provided OCC with representations that it has rules, policies or procedures requiring that such trades be executed at reasonable prices and that such prices are validated by the exchange.

<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. 73961 (December 30, 2014), 80 FR 568 (January 6, 2015) (SR-OCC-2014-23).

<sup>4</sup> According to OCC, an EFP is a transaction between two parties in which a futures contract on a commodity or security is exchanged for the actual physical good.

<sup>5</sup> According to OCC, a block trade is a trade involving a large number of shares being traded at an arranged price between parties, outside of the open markets, in order to lessen the impact of such a large trade being made public.

#### Background

According to OCC, under OCC’s By-Laws, the novation of confirmed trades (*i.e.*, transactions in options, futures, or other “cleared contracts” effected through an exchange and submitted to OCC for clearing) occurs at the “commencement time” for such transactions. <sup>6</sup> The “commencement time” for most confirmed trades is when daily position reports are made available to clearing members. <sup>7</sup> However, transactions in certain cleared products and certain types of transactions, including non-competitively executed EFPs and Block Trades, have delayed commencement times that are tailored to address risks specific to such products or transactions, <sup>8</sup> including, but not limited to, those risks presented by off-market transactions.

When OCC began clearing EFPs and Block Trades, it established that the commencement time for such transactions is expressly conditioned upon the receipt by OCC of variation payments due from purchasing and selling clearing members because EFPs and Block Trades could be executed away from the market and be executed at other than market prices. These factors were viewed as creating heightened exposure to OCC if a clearing member defaults on a trade executed at an off-market price and, as a result, Article XII, Section 7 of OCC’s By-Laws establishes that the commencement time for an EFP or Block Trade is the time of the first variation payment after the trade is reported to OCC (typically 9:00 a.m. Central Time the following business day). <sup>9</sup> OCC delays its novation of these non-competitively executed futures trades because OCC is bound to pay the first variation settlement amount to the counterparty once novation has occurred, and if the agreed-upon price at which the trade is entered differs from the competitive market price, there is an increased likelihood that OCC may

<sup>6</sup> Cleared Contracts and Commencement Time are defined terms set forth in Article 1, Section 1 of OCC’s By-Laws.

<sup>7</sup> See OCC’s By-Laws Article VI, Section 5. According to OCC, in a practical sense, however, most trades are novated upon proper submission to OCC for clearing since OCC’s By-Laws, with limited exception, do not permit OCC to reject any confirmed trade due to the failure of the purchasing clearing member to pay any amount due to OCC at or before the settlement time. See also Securities Exchange Act Release No. 65990 (December 16, 2011), 76 FR 79731 (December 22, 2011) (SR-OCC-2011-17).

<sup>8</sup> *Id.*

<sup>9</sup> See Securities Exchange Act Release No. 44727 (August 20, 2001), 66 FR 45351 (August 28, 2001) (SR-OCC-2001-07).