

All submissions should refer to File No. SR–NYSE–2016–13. 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 Web site (<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 Web site 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 such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File No. SR–NYSE–2016–13, and should be submitted on or before April 1, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²¹

Robert W. Errett,
Deputy Secretary.

[FR Doc. 2016–05433 Filed 3–10–16; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–77303; File No. SR–NYSEArca–2016–21]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change, as Modified by Amendment No. 1, Establishing Procedures for the Allocation of Cages to Its Co-Located Users, Including the Waiver of Certain Fees, and To Amend the Visitor Security Escort Requirements and Fee

March 7, 2016.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the

“Act”)² and Rule 19b–4 thereunder,³ notice is hereby given that, on February 23, 2016, NYSE Arca, Inc. (the “Exchange” or “NYSE Arca”) 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 self-regulatory organization. On March 1, 2016, the Exchange filed Amendment No. 1 to the proposed rule change.⁴ The Commission is publishing this notice to solicit comments on the proposed rule change, as modified by Amendment No. 1, from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of the Substance of the Proposed Rule Change

The Exchange proposes to establish procedures for the allocation of cages to its co-located Users, including the waiver of certain fees, and to amend the visitor security escort requirements and fee. The Exchange proposes to amend the Arca Options Fee Schedule (the “Options Fee Schedule”) and, through its wholly owned subsidiary NYSE Arca Equities, Inc. (“NYSE Arca Equities”), the NYSE Arca Equities Schedule of Fees and Charges for Exchange Services (the “Equities Fee Schedule” and, together with the Options Fee Schedule, the “Fee Schedules”) to reflect the changes. The proposed rule change is available on the Exchange's Web site at 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.

² 15 U.S.C. 78a.

³ 17 CFR 240.19b–4.

⁴ In Amendment No. 1, the Exchange clarified the proposal to specify that the visitor escort fee is equitable because all Users of the Exchange's Data Center would be charged the same fee. The Exchange also clarified the proposal to specify that while an individual User is on the waitlist for a cabinet, it will be granted a fee waiver for 2 bundles of 24 cross connects to be used to connect that User's non-contiguous cabinets.

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

1. Purpose

The Exchange proposes to establish procedures for the allocation of cages to Users, including the waiver of certain fees, and to amend the visitor security escort requirements.⁵ The Exchange proposes to amend the Fee Schedules to reflect the changes.

Proposed Cage Allocation Procedure

A User is able to purchase a cage to house its cabinets within the Data Center.⁶ A cage would typically be purchased by a User that has several cabinets within the Data Center and wishes to arrange its cabinets contiguously while also enhancing privacy around its cabinets. The Exchange offers three sizes of cages corresponding to the number of cabinets housed therein, and charges fees for the cages based on the size.⁷ The physical footprint of each cage is greater than that of the cabinets that it houses, as each cage is constructed so as to include aisles around the purchasing User's cabinets, for accessibility and in compliance with safety regulations.⁸ Accordingly, in order to provide a User with a cage, the Data Center must have sufficient contiguous open space

⁵ The Exchange initially filed rule changes relating to its co-location services with the Securities and Exchange Commission (“Commission”) in 2010. See Securities Exchange Act Release No. 63275 (November 8, 2010), 75 FR 70048 (November 16, 2010) (SR–NYSEArca–2010–100) (the “Original Co-location Filing”). The Exchange operates a data center in Mahwah, New Jersey (the “Data Center”) from which it provides co-location services to Users.

⁶ For purposes of the Exchange's co-location services, a “User” means any market participant that requests to receive co-location services directly from the Exchange, a “Hosting User” means a User that hosts a Hosted Customer in the User's co-location space, and a “Hosted Customer” means a customer of a Hosting User that is hosted in a Hosting User's co-location space. See Securities Exchange Act Release No. 76010 (September 29, 2015), 80 FR 60197 (October 5, 2015) (SR–NYSEArca–2015–82). As specified in the Fee Schedules, a User that incurs co-location fees for a particular co-location service pursuant thereto would not be subject to co-location fees for the same co-location service charged by the Exchange's affiliates New York Stock Exchange LLC and NYSE MKT LLC. See Securities Exchange Act Release No. 70173 (August 13, 2013), 78 FR 50459 (August 19, 2013) (SR–NYSEArca–2013–80).

⁷ See Securities Exchange Act Release No. 67667 (August 15, 2012), 77 FR 50743 (August 22, 2012) (SR–NYSEArca–2012–63) (“2012 Release”). A User must have at least two cabinets in the Data Center to purchase a cage. See Securities Exchange Act Release No. 72720 (July 30, 2014), 79 FR 45577 (August 5, 2014) (SR–NYSEArca–2014–81) (“2014 Release”).

⁸ For example, a cage for 20 cabinets takes up as much floor space as 33 cabinets.

²¹ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

available for the cage. The Exchange allocates cages on a first come/first serve basis.

The Data Center opened in 2010, and at that time, the Exchange represented that it offers co-location space based on availability and that it had sufficient space in the Data Center to accommodate demand on an equitable basis for the foreseeable future.⁹ The Exchange continues to believe that there is sufficient space in the Data Center to accommodate demand.

However, much of the space currently available for co-location is in smaller segments, resulting from an increasing number of Users, multiple moves within the Data Center, and changes to Users' space requirements—both increases and decreases—since 2010. Accordingly, in 2015, the Exchange determined that, to continue to be able to meet its obligation to accommodate demand, and in particular to make available more contiguous, larger spaces for new and existing Users, it would exercise its right to move some Users' equipment within the Data Center (the "Migration").¹⁰ The Exchange put procedures in place to manage the process for the Migration, and is implementing them.

While the Migration will make available more contiguous, larger spaces for new and existing Users, the Exchange believes that even after the Migration such contiguous open space will be limited, and may become more limited over time. Accordingly, the Exchange proposes to put procedures in place for the allocation of cages if the available open contiguous space in the Data Center is not sufficient to house a new cage or the open contiguous space available is sufficiently limited that the Exchange cannot both provide new cages and satisfy all User demand for other co-location services. The proposed procedures are as follows:

- The Exchange will place Users seeking new cages on a waitlist. The order of Users on the list will be based on the date the Exchange receives signed orders for the cages from each User.
- Once the list is established, Users, on a rolling basis, will be allocated a cage each time one becomes available.¹¹

⁹ See Original Co-Location Filing, at 70049.

¹⁰ See Securities Exchange Act Release No. 76270 (October 26, 2015), 80 FR 66958 (October 30, 2015) SR-NYSEArca-2015-85 ("Migration Release").

¹¹ A cage may become available, for example, if a User terminates use of an existing cage or if contiguous cabinets become vacant, opening up contiguous space. The Exchange believes that the proposed procedures are consistent with the NASDAQ procedures for allocating cabinets if NASDAQ's inventory shrinks to zero. See Securities

- If a cage becomes available and the User that is at the top of the waitlist turns it down because it requested a different size cage, the Exchange will offer the available cage to the next Users on the list, in order, until a User accepts it. A User that turns down a cage because it is not the correct size will remain on the waitlist. A User that turns down a cage that is the size that it requested will be removed from the waitlist.

- If a User requests two cages, after receiving the first cage it will move to the bottom of the waitlist.

In connection with the above procedure, the Exchange proposes to waive certain fees for Users that have requested a cage and have been added to the waitlist pursuant to the allocation procedure. The Exchange expects that, while on the waitlist for a cage or for a larger cage, a User may have to use non-contiguous cabinets and/or cages, in which case it would connect the cabinets with cross connects, which are fiber connections used to connect cabinets within the Data Center.¹² In such circumstances, the Exchange proposes to waive the initial and monthly fee for two bundles of 24 cross connects between the User's non-contiguous cabinets. Once the User is allocated a cage through the allocation procedure or is no longer on the waitlist, the Exchange would cease to waive the fee.

As noted above, a User that turns down a cage that is the size that it requested will be removed from the waitlist. If such User asks to be added back onto the waitlist, the Exchange will add the User to the bottom of the waitlist, but will not provide the proposed fee waiver a second time.

The Exchange proposes to amend the Fee Schedules to add a new General Note 3 to the fee to furnish and install a bundle of 24 cross connects, as follows:

Exchange Act Release No. 62397 (June 28, 2010), 75 FR 38860 (July 6, 2010) (SR-NASDAQ-2010-019).

¹² A User is able to purchase cross connects individually or in bundles (*i.e.*, multiple cross connects within a single sheath) of six, 12, 18 or 24 cross connects. The Commission approved the fee for cross connects between a single User's cabinets within the data center in the Original Co-Location Filing. See Original Co-Location Filing, at 70049. The use of cross connects was subsequently revised to allow each User to purchase cross connects between its cabinet(s) and the cabinets of separate Users or a non-User's equipment within the Data Center. See 2012 Release, at 50744, and Securities Exchange Act Release No. 74219 (February 6, 2015), 80 CFR 7899 (February 12, 2015) (SR-NYSEArca-2015-03). The Exchange notes that a User with a cage may request a new cage, either to add a second cage or to change cages. In such a case, the cross connects would be between the cabinets within the cage and the non-contiguous cabinets outside the cage.

The initial and monthly charge for 2 bundles of 24 cross connects will be waived for Users that are waitlisted for a cage for the duration of the waitlist period, provided that the cross connects may only be used to connect the Users' non-contiguous cabinets. The charge will no longer be waived once a User is removed from the waitlist.

- If a waitlist is created, a User seeking a new cage will be placed on the waitlist based on the date a signed order for the cage is received.

- A User that turns down a cage because it is not the correct size will remain on the waitlist. A User that requests to be removed or that turns down a cage that is the size that it requested will be removed from the waitlist.

- A User that is removed from the waitlist but subsequently requests a cage will be added back to the bottom of the waitlist, provided that, if the User was removed from the waitlist because it turned down a cage that is the size that it requested, it will not receive a second waiver of the charge.

Visitor Security Escorts

Currently, all User representatives are required to have a visitor security escort during visits to the Data Center, including User representatives who have a permanent Data Center site access badge.¹³ The Exchange proposes to amend the description of the visitor security escort fee to provide that it would not apply to User representatives visiting the User's cage and to provide that the cost is \$75 per visit.

The Exchange requires visitor security escorts for security purposes, primarily to ensure that a visitor does not interfere with the cabinets of other Users or Exchange equipment. The Exchange believes it is not necessary to have a User representative accompanied by a visitor security escort when the representative is visiting the User's cage, because the User representative would only have access to that User's cabinets, which would be in the confined area within the locked cage. The User representative would not have access to the cabinets of other Users or Exchange equipment, which are locked as well. By comparison, Users that do not have cages share colocation space with other Users. While such spaces are locked, more than one User may have cabinets within a given locked space, and so a visitor security escort is warranted.

¹³ See Original Co-Location Filing, at 70050. Fees for visitor security escorts for the move of a User's equipment within the Data Center are waived when incurred in connection with such a move required by the Exchange as part of the Migration. See Migration Release, at 66958.

The Exchange proposes to make several additional non-substantive changes to the description of the visitor security escort fee, to reduce redundancy and increase clarity. The current description is as follows:

NYSE employee escort, which is required during User visits to the data center. (Note: all User representatives are required to have a visitor security escort during visits to the data center, including User representatives who have a permanent data center site access badge.)

The proposed description of the visitor escort fee would read as follows:

All User representatives are required to be accompanied by a visitor security escort during visits to the data center unless visiting the User's cage. Requirement includes User representatives who have a permanent data center site access badge.

The Exchange proposes to remove the first clause, with its reference to the visitor security escort as an "NYSE employee escort," because it is redundant with the parenthetical and because the reference to "NYSE employees" could be potentially confusing, given that not just New York Stock Exchange LLC but also its affiliates, NYSE MKT LLC and the Exchange, provide co-location services at the Data Center. In addition, the Exchange proposes to use "accompanied by a visitor security escort" rather than "have a visitor security escort" because it believes that "accompanied" makes it more clear that the escort will accompany the User representative.

The Fee Schedules include a Visitor Security Escort fee of \$75 per hour. The Exchange proposes to amend the Fee Schedules to charge Users \$75 per visit for such visitor security escorts. Based on the Exchange's experience, currently many of the escorted visits last an hour or less, and for Users that do not have a cage, escorted visits are typically about an hour.

General

As is the case with all Exchange co-location arrangements, (i) neither a User nor any of the User's customers would be permitted to submit orders directly to the Exchange unless such User or customer is a member organization, a Sponsored Participant or an agent thereof (e.g., a service bureau providing order entry services); (ii) use of the co-location services proposed herein would be completely voluntary and available to all Users on a non-discriminatory

basis;¹⁴ and (iii) a User would only incur one charge for the particular co-location service described herein, regardless of whether the User connects only to the Exchange or to the Exchange and one or both of its affiliates.¹⁵

The proposed change is not otherwise intended to address any other issues relating to co-location services and/or related fees, and the Exchange is not aware of any problems that Users would have in complying with the proposed change.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,¹⁶ in general, and furthers the objectives of Sections 6(b)(5) of the Act,¹⁷ in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to, and perfect the mechanisms of, a free and open market and a national market system and, in general, to protect investors and the public interest and because it is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that the proposed procedure for allocating cages is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers because the proposal would establish rational, objective procedures that would be applied uniformly by the Exchange to Users that requested cages and would not unfairly discriminate among similarly situated Users of co-location services. All Users seeking to purchase

¹⁴ As is currently the case, Users that receive co-location services from the Exchange will not receive any means of access to the Exchange's trading and execution systems that is separate from, or superior to, that of others with access to the Exchange's trading and execution systems. In this regard, all orders sent to the Exchange enter the Exchange's trading and execution systems through the same order gateway, regardless of whether the sender is co-located in the Data Center or not. In addition, co-located Users do not receive any market data or data service product that is not available to users that have access to the Exchange's trading and execution systems, although Users that receive co-location services normally would expect reduced latencies in sending orders to, and receiving market data from, the Exchange.

¹⁵ See SR-NYSEArca-2013-80, *supra* note 5 at 50459. The Exchange's affiliates have also submitted substantially the same proposed rule change. See SR-NYSE-2016-13 and SR-NYSEMKT-2016-17.

¹⁶ 15 U.S.C. 78f(b).

¹⁷ 15 U.S.C. 78f(b)(5).

a cage would be subject to the same procedures. The Exchange believes that the proposed procedure would serve to reduce any potential for confusion on how cages would be allocated should it become necessary. In addition, the proposed allocation procedure would assist the Exchange to ensure that it has sufficient space in the Data Center to accommodate demand for co-location services on an equitable basis for the foreseeable future.

The Exchange believes that the proposal to waive fees for two bundles of 24 cross connects between a waitlisted User's non-contiguous cabinets is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers because the waiver would be applied uniformly by the Exchange to all waitlisted Users and would not unfairly discriminate among similarly situated Users of co-location services. A waitlisted User would only require cross connects between its non-contiguous cabinets due to the waitlist. If, instead of being put on the waitlist, the User had received the cage it requested, the User would not require the cross connects. In addition, the Exchange proposes that the cross connects could only be used to connect the User's non-contiguous cabinets. The waiver would help to alleviate the inconvenience for the waitlisted User of having cabinets in non-contiguous space by directly addressing, for the time period during which the User is waitlisted, a cost directly related to being on the waitlist. Once the User was allocated a cage through the allocation procedure or was removed from the waitlist, the Exchange would cease to waive the fee.

The Exchange believes that the proposed amendment to the visitor security escort fee is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers because the escort fee would be applied uniformly by the Exchange to all Users unless a User representative was visiting the User's cage, and would not unfairly discriminate among similarly situated Users of co-location services.

The Exchange also believes that the proposed rule change is consistent with Section 6(b)(4),¹⁸ in particular, in that 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 the proposed procedure for allocating cages is equitable and not unfairly

¹⁸ 15 U.S.C. 78f(b)(4), (5).

discriminatory because the cages are offered simply as a convenience to Users. A User does not require a cage to trade on the Exchange, and usage of a cage has no effect on a User's orders going to, or trade data coming from, the Exchange, or the User's ability to utilize other co-location services. The proposed allocation procedure would assist the Exchange to ensure that it has sufficient space in the Data Center to accommodate demand for co-location services on an equitable basis for the foreseeable future.

The Exchange believes that the proposal to waive fees for two bundles of 24 cross connects between a waitlisted User's non-contiguous cabinets is equitable and not unfairly discriminatory because a waitlisted User would only require the cross connects due to the waitlist. If, instead of being put on the waitlist, the User had received the cage it requested, the User would not require the cross connects. In addition, the Exchange proposes that the cross connects could only be used to connect the User's non-contiguous cabinets. The waiver would help to alleviate the inconvenience for the waitlisted User of having cabinets in non-contiguous space by directly addressing, for the time period during which the User is waitlisted, a cost directly related to being on the waitlist. Once the User was allocated a cage through the allocation procedure or was removed from the waitlist, the Exchange would cease to waive the fee.

The Exchange believes that the proposed amendment to the visitor security escort fee is equitable and not unfairly discriminatory because the escort fee would be applied uniformly by the Exchange to all Users unless a User representative was visiting the User's cage, and would not unfairly discriminate among similarly situated Users of co-location services. The same requirements and fees would be applied uniformly to all Users. The Exchange believes that the amendment is equitable because the security purposes that lead the Exchange to require visitor security escorts, namely to ensure that a visitor does not interfere with the cabinets of other Users or Exchange equipment, are not present when a User representative is visiting the User's cage, because the User representative would only have access to the Users' cabinets, which would be in the confined area within the locked cage. The User representative would not have access to the cabinets of other Users or Exchange equipment, which are locked as well.

The Exchange believes that the proposed allocation procedure for cages is reasonable because the proposal

would establish rational, objective procedures that would be applied uniformly by the Exchange to Users. All Users seeking to purchase a cage would be subject to the same procedures. In addition, the Exchange believes that the proposed procedure would serve to reduce any potential for confusion on how cages would be allocated should it become necessary.

The Exchange believes that the proposal to waive fees for two bundles of 24 cross connects between a waitlisted User's non-contiguous cabinets is reasonable because the waitlisted User would only require the cross connects due to the waitlist. If, instead of being put on the waitlist, the User had received the cage it requested, the User would not require the cross connects. In addition, the Exchange proposes that the cross connects could only be used to connect the User's non-contiguous cabinets. The waiver would help to alleviate the inconvenience for the waitlisted User of having cabinets in non-contiguous space by directly addressing, for the time period during which the User is waitlisted, a cost directly related to being on the waitlist. In addition, the Exchange believes that the proposal is reasonable because once the User was allocated a cage through the allocation procedure or was removed from the waitlist, the Exchange would cease to waive the fee.

The Exchange also believes that, if a User is removed from the waitlist because it turned down a cage that is the size that it requested, it is reasonable not to provide the User a second waiver of the fee if the User subsequently requests a cage. To provide a second waiver would create an incentive for a User to use the waitlist to avoid paying the waived fees for cross connects despite being given an opportunity to get off the waitlist.

The Exchange believes that the proposed amendments to the visitor security escort fee are reasonable, because the security purposes that lead the Exchange to require visitor security escorts, namely to ensure that a visitor does not interfere with the cabinets of other Users or Exchange equipment, are not present when a User representative is visiting the User's cage, because the User representative would only have access to the Users' cabinets, which would be in the confined area within the locked cage. The User representative would not have access to the cabinets of other Users or Exchange equipment, which are locked as well. Finally, the Exchange believes that its non-substantive changes to the description of the visitor security escort fee are reasonable, because they would reduce

redundancy and increase clarity in the description.

The Exchange believes that the proposed rate of \$75 per visit for the Visitor Security Escort, as opposed to \$75 per hour, is reasonable because all Users would be subject to the same fee. The Exchange believes that charging a flat fee per visit is consistent with fees for other services performed by data center staff, including Change Fees and Initial Install Services.¹⁹ The proposed rate of \$75 per visit for the Visitor Security Escort would be a fee reduction for any visit that lasted more than an hour, and so it would reduce the burden placed on Users that are still subject to the fee.

For the reasons above, the proposed changes do not unfairly discriminate between or among market participants that are otherwise capable of satisfying any applicable co-location fees, requirements, terms and conditions established from time to time by the Exchange.

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 these 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,²⁰ the Exchange believes that the proposed rule change will not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed allocation procedures for cages would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed allocation procedure would assist the Exchange to ensure that it has sufficient space in the Data Center to accommodate demand for co-location services on an equitable basis for the foreseeable future. Similarly, the Exchange believes that the proposed fee waiver would facilitate the proposed allocation procedure, which would in turn facilitate use of the Data Center and provide access to the Data Center to current and additional market participants. In addition, because a User does not require a cage to trade on the Exchange, and usage of

¹⁹ See 2012 Release, *supra* note 6, at 50744, and 2014 Release, *supra* note 6, at 45578. Change Fees are charged per request and Initial Install Services fees are charged per cabinet or eight-rack unit in a partial cabinet.

²⁰ 15 U.S.C. 78f(b)(8).

a cage has no effect on a User's orders going to, or trade data coming from, the Exchange, or the User's ability to utilize other co-location services, the Exchange believes that being waitlisted for a cage will not impose a burden on a User's ability to compete. The Exchange believes that the proposed allocation procedure would establish rational, objective procedures that would reduce any potential for User confusion on how cages would be allocated should it become necessary.

The Exchange believes that the proposed amendment to the visitor security escort fee would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act because it would eliminate an unnecessary requirement, as the security purposes that lead the Exchange to visitor security escorts are not present when a User representative is visiting the User's cage, because the User representative would only have access to the Users' cabinets, which would be in the confined area within the locked cage. The User representative would not have access to the cabinets of other Users or Exchange equipment, which are locked as well. The proposed rate of \$75 per visit for the Visitor Security Escort would be a fee reduction for any visit that lasted more than an hour, and so it would reduce the burden placed on Users that are still subject to the fee.

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. In such an environment, the Exchange must continually review, and consider adjusting, its services and related fees and credits to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed rule change reflects this competitive environment.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and

publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall: (a) By order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be 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. Please include File No. SR-NYSEArca-2016-21 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File No. SR-NYSEArca-2016-21. 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 Web site (<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 Web site 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 such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File No. SR-NYSEArca-2016-21, and should be submitted on or before April 1, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²¹

Robert W. Errett,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-77309; File No. SR-NASDAQ-2016-035]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing of Proposed Rule Change To Establish a Secondary Contingency Procedure To Enable the Exchange To Report an Official Closing Price on Behalf of an Impaired Primary Listing Exchange

March 7, 2016.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on March 2, 2016, The Nasdaq Stock Market LLC ("Nasdaq" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. 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 establish a Secondary Contingency Procedure that would enable the Exchange to report an Official Closing Price on behalf of an impaired primary listing exchange.

The text of the proposed rule change is available on the Exchange's Web site at <http://nasdaq.cchwallstreet.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 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

²¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.