

Exchange believes that the proposal will promote competition by enabling the Exchange to offer a market data product similar to that currently offered by Nasdaq and NYSE Arca.¹⁷ Thus, the Exchange believes this proposed rule change is necessary to permit fair competition among national securities exchanges.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange has neither solicited nor received written comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (A) Significantly affect the protection of investors or the public interest; (B) impose any significant burden on competition; and (C) by its terms, become operative for 30 days from the date on which it was filed or such shorter time as the Commission may designate it has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁸ and paragraph (f)(6) of Rule 19b-

BYX-2014-030) (Notice of Amendment No. 2 and Order Granting Accelerated Approval to Proposed Rule Changes, as Modified by Amendments Nos. 1 and 2, to Establish a New Market Data Product called the Bats One Feed) ("Bats One Approval Order"). The Exchange would provide the aggregate BBO disseminated via the Bats One Summary Feed as part of the ETF Implied Liquidity feed. The Exchange utilizes the following data feeds to create the Bats One Summary Feed's aggregated BBO, each of which are available to vendors: EDGX Depth, EDGA Depth, BYX PITCH Feed, and BZX PITCH Feed. Rather than these depth-of-book feeds, the Exchange notes that a vendor seeking to build a competing product to the proposed ETF Implied Liquidity feed could simply utilize the top-of-book data feeds from each of the Bats Exchange's to create an aggregated BBO. These top-of-book feeds are EDGA Top, EDGX Top, BYX Top and BZX Top. The Exchange represents that a competing vendor could obtain these top-of-book data feeds from each of the Bats Exchanges on the same latency basis as the system that performs the aggregation and consolidation of the Bats One Summary Feed. See Bats One Approval Order. While the proposed ETF Implied Liquidity feed does not separately provide the ETF's NBBO, the number of shares of securities underlying one creation unit of the ETF, or the estimated cash included in one creation unit of the ETF, a vendor could obtain this information from the securities information processors and other publicly available sources to perform its own calculation of an ETF's implied liquidity to include as part of a competing product. Therefore, a vendor could create a product to compete with the proposed ETF Implied Liquidity feed on the same terms as the Exchange. With regard to cost, as stated above, the Exchange will file a separate rule filing with the Commission to establish fees for the ETF Implied Liquidity feed that would be designed to ensure that vendors could compete with the Exchange by creating a similar product.

¹⁷ See *supra* note 14.

¹⁸ 15 U.S.C. 78s(b)(3)(A).

4 thereunder,¹⁹ the Exchange has designated this rule filing as non-controversial. The Exchange has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (1) Necessary or appropriate in the public interest; (2) for the protection of investors; or (3) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule 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. Please include File Number SR-BatsBZX-2017-25 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-BatsBZX-2017-25. 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 the 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 Number SR-BatsBZX-2017-25 and should be submitted on or before May 30, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁰

Eduardo A. Aleman,
Assistant Secretary.

[FR Doc. 2017-09314 Filed 5-8-17; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80581; File No. SR-Phlx-2017-04]

Self-Regulatory Organizations; NASDAQ PHLX LLC; Notice of Filing of Amendment No. 1 and Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change, as Modified by Amendment No. 1, To Permit the Listing and Trading of P.M.-Settled NASDAQ-100 Index® Options on a Pilot Basis

May 3, 2017.

I. Introduction

On January 18, 2017, NASDAQ PHLX LLC ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² a proposed rule change to permit the listing and trading of P.M.-settled NASDAQ-100 Index® ("NASDAQ-100") options on a pilot basis. The proposed rule change was published for comment in the **Federal Register** on February 3, 2017.³ On March 14, 2017, the Commission extended the time period within which to approve the proposed rule change,

²⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 79894 (January 30, 2017), 82 FR 9259 ("Notice").

¹⁹ 17 CFR 240.19b-4.

disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.⁴ On May 2, 2017, the Exchange filed Amendment No. 1 to the proposed rule change.⁵ The Commission received no comment letters on the proposed rule change.

The Commission is publishing this notice and order to solicit comments on the proposed rule change, as modified by Amendment No. 1, from interested persons and to institute proceedings pursuant to Section 19(b)(2)(B) of the Act⁶ to determine whether to approve or disapprove the proposed rule change, as modified by Amendment No. 1.

II. Description of the Proposal, as Modified by Amendment No. 1

The Exchange is proposing to amend its rules to permit the listing and trading, on a pilot basis, of NASDAQ-100 options with third-Friday-of-the-month expiration dates, whose exercise settlement value will be based on the closing index value, symbol XQC, of the NASDAQ-100 on the expiration day ("P.M.-settled").

The Exchange represents that the conditions for listing the proposed contract ("NDXPM") on Phlx will be similar to those for Full Value Nasdaq 100 Options ("NDX"), which are already listed and trading on Phlx, except that NDXPM will be P.M.-settled.⁷ In particular, NDXPM will use a \$100 multiplier, and the minimum trading increment will be \$0.05 for options trading below \$3.00 and \$0.10 for all other series. Strike price intervals will be set at no less than \$5.00. Consistent with existing rules for index options, the Exchange will allow up to nine near-term expiration months, as well as LEAPS. The product will have European-style exercise and will not be subject to position limits, though there would be enhanced reporting requirements.⁸

As proposed, the proposal would become effective on a pilot basis for a period of twelve months ("Pilot

Program"). If the Exchange were to propose an extension of the Pilot Program or should the Exchange propose to make the Pilot Program permanent, then the Exchange would submit a filing proposing such amendments to the Pilot Program. The Exchange notes that any positions established under the pilot would not be impacted by the expiration of the pilot. For example, a position in a P.M.-settled series that expires beyond the conclusion of the pilot period could be established during the 12-month pilot. If the Pilot Program were not extended, then the position could continue to exist. However, the Exchange notes that any further trading in the series would be restricted to transactions where at least one side of the trade is a closing transaction.

The Exchange proposes to submit a Pilot Program report to the Commission at least two months prior to the expiration date of the Pilot Program (the "annual report"). The annual report would contain an analysis of volume, open interest, and trading patterns. The analysis would examine trading in the proposed option product as well as trading in the securities that comprise the NASDAQ-100. In addition, for series that exceed certain minimum open interest parameters, the annual report would provide analysis of index price volatility and share trading activity. In addition to the annual report, the Exchange would provide the Commission with periodic interim reports while the pilot is in effect that would contain some, but not all, of the information contained in the annual report. The annual report would be provided to the Commission on a confidential basis. The annual report would contain the following volume and open interest data:

- (1) Monthly volume aggregated for all trades;
- (2) monthly volume aggregated by expiration date;
- (3) monthly volume for each individual series;
- (4) month-end open interest aggregated for all series;
- (5) month-end open interest for all series aggregated by expiration date; and
- (6) month-end open interest for each individual series.

In addition to the annual report, the Exchange would provide the Commission with interim reports of the information listed in Items (1) through (6) above periodically as required by the Commission while the Pilot Program is in effect. These interim reports would also be provided on a confidential basis. The annual report would also contain the information noted in Items (1)

through (6) above for Expiration Friday, A.M.-settled NASDAQ-100 options traded on Phlx.

In addition, the annual report would contain the following analysis of trading patterns in Expiration Friday, P.M.-settled NASDAQ-100 option series in the Pilot Program: (1) A time series analysis of open interest; and (2) an analysis of the distribution of trade sizes. Also, for series that exceed certain minimum parameters, the annual report would contain the following analysis related to index price changes and underlying share trading volume at the close on Expiration Fridays: A comparison of index price changes at the close of trading on a given Expiration Friday with comparable price changes from a control sample. The data would include a calculation of percentage price changes for various time intervals and compare that information to the respective control sample. Raw percentage price change data as well as percentage price change data normalized for prevailing market volatility, as measured by an appropriate index as agreed by the Commission and the Exchange, would be provided. The Exchange would provide a calculation of share volume for a sample set of the component securities representing an upper limit on share trading that could be attributable to expiring in-the-money series. The data would include a comparison of the calculated share volume for securities in the sample set to the average daily trading volumes of those securities over a sample period. The minimum open interest parameters, control sample, time intervals, method for randomly selecting the component securities, and sample periods would be determined by the Exchange and the Commission.⁹

III. Proceedings To Determine Whether To Approve or Disapprove SR-Phlx-2017-04, as Modified by Amendment No. 1, and Grounds for Disapproval Under Consideration

The Commission is instituting proceedings pursuant to Section 19(b)(2)(B) of the Act¹⁰ to determine whether the proposed rule change, as modified by Amendment No. 1, should be approved or disapproved. Institution of such proceedings is appropriate at

⁹ See Notice, *supra* note 3, at 9261 and Amendment No. 1. The proposed Pilot Program for NDXPM options is similar to the pilot program approved for the listing and trading of P.M.-settled S&P 500 Index options ("SPXPM options"). See Securities Exchange Act Release No. 64011 (March 2, 2011), 76 FR 12775, 12776-77 (March 8, 2011) ("SPXPM Notice").

¹⁰ 15 U.S.C. 78s(b)(2)(B).

⁴ See Securities Exchange Act Release No. 80241, 82 FR 14393 (March 20, 2017).

⁵ In Amendment No. 1, the Exchange revised its proposal to add that raw percentage price change data as well as percentage price change data normalized for prevailing market volatility, as measured by an appropriate index as agreed by the Commission and the Exchange, would be provided as part of the pilot data. When the Exchange filed Amendment No. 1 with the Commission, it also submitted Amendment No. 1 to the public comment file for SR-Phlx-2017-04 (available at: www.sec.gov/comments/sr-phlx-2017-04/phlx201704.htm).

⁶ 15 U.S.C. 78s(b)(2)(B).

⁷ See Notice, *supra* note 3, at 9260.

⁸ For a more detailed description of the proposed NDXPM contract, see Notice, *supra* note 3.

this time in view of the legal and policy issues raised by the proposed rule change, as discussed below. Institution of proceedings does not indicate that the Commission has reached any conclusions with respect to any of the issues involved. Rather, as stated below, the Commission seeks and encourages interested persons to provide comments on the proposed rule change, as modified by Amendment No. 1.

Pursuant to Section 19(b)(2)(B) of the Act,¹¹ the Commission is providing notice of the grounds for disapproval under consideration, as discussed below. In particular, Section 6(b)(5) of the Act¹² requires that the rules of an exchange be designed, among other things, to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Commission has had concerns about the potential adverse effects and impact of P.M. settlement upon market volatility and the operation of fair and orderly markets on the underlying cash market at or near the close of trading, including for cash-settled derivatives contracts based on a broad-based index.¹³ The Commission believes that the proposal to allow P.M. settlement of an option on the NASDAQ-100 raises questions as to the potential effects on the underlying cash equities markets, and thus as to whether it is consistent with the requirements of Section 6(b)(5) of the Act, including whether the proposal is designed to prevent manipulation, promote just and equitable principles of trade, perfect the mechanism of a free and open market and the national market system, and protect investors and the public interest.

Accordingly, the Commission solicits comment, analysis, and data concerning whether the Exchange's proposal is consistent with the Act. The Commission is asking commenters to address the merits of Phlx's statements in support of its proposal, in addition to any other comments they may wish to submit about the proposed rule change

or any data or analysis that commenters think may be relevant to the Commission's consideration of the proposal. Specifically, the Commission seeks input from commenters to inform its evaluation of whether P.M. settlement for Phlx's proposed options on the NASDAQ-100 could impact volume and volatility on the underlying cash equities markets at the close of the trading day, and the potential consequences this might have for investors and the overall stability of the markets.

In addition, the Commission seeks input from commenters with respect to the operation and structure of the markets today in comparison to their operation and structure at the time of the shift to A.M. settlement of cash-settled index options, and whether the current operation and structure of the markets support, or do not support, allowing NASDAQ-100 options on Phlx to be P.M.-settled.

More generally, the Commission seeks commenters' views on whether there are differences between Phlx's proposed product and other P.M.-settled, cash-settled options that raise novel issues and, if so, whether commenters believe such differences warrant different treatment or a different pilot design.

As noted above, the Exchange's proposal seeks to allow the listing and trading of NDXPM options on a pilot basis, and the Pilot Program, including its associated data and reports, are key in assisting the Commission and its staff to analyze the impact of the proposal, including with respect to the concerns described above. Thus, the Commission is considering and requesting comment on whether commenters believe the proposed Pilot Program is appropriate. As noted above, the proposed Pilot Program is similar to the pilot program for the listing and trading of SPXPM options.¹⁴ The Commission requests commenters' views on whether the proposed Pilot Program would adequately demonstrate whether the Commission's concerns about the adverse effect and impact of P.M. settlement are, or are not, implicated by the listing and trading of P.M.-settled options on the NASDAQ-100 and, if not, what information or data the pilot should include. The Commission seeks public comment on whether there are differences between the listing and trading of SPXPM options and the proposed NDXPM options that would warrant differences in the data, analyses, or reports that should be required for the Exchange's proposed pilot. In addition, Amendment No. 1 of

the proposal added that "[r]aw percentage price change data as well as percentage price change data normalized for prevailing market volatility, as measured by an appropriate index as agreed by the Commission and the Exchange" would be included as part of the pilot. The Commission seeks input on what commenters believe would be appropriate data to use with respect to measuring volatility for the proposed pilot.

Finally, the Commission requests any comment, data, or analysis that commenters think may be relevant to the Commission's consideration of the Exchange's proposal for P.M.-settled options on the NASDAQ-100.

IV. Procedure: Request for Written Comments

The Commission requests that interested persons provide written submissions of their views, data, and arguments with respect to the issues identified above, as well as any other concerns they may have with the proposal. In particular, the Commission invites the written views of interested persons concerning whether the proposal, as modified by Amendment No. 1, is consistent with Section 6(b)(5) or any other provision of the Act, or the rules and regulations thereunder. Although there do not appear to be any issues relevant to approval or disapproval that would be facilitated by an oral presentation of views, data, and arguments, the Commission will consider, pursuant to Rule 19b-4, any request for an opportunity to make an oral presentation.¹⁵

Interested persons are invited to submit written data, views, and arguments regarding whether the proposal, as modified by Amendment No. 1, should be approved or disapproved by May 30, 2017. Any person who wishes to file a rebuttal to any other person's submission must file that rebuttal by June 13, 2017.

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

¹⁵ Section 19(b)(2) of the Act, as amended by the Securities Act Amendments of 1975, Public Law 94-29 (June 4, 1975), grants the Commission flexibility to determine what type of proceeding—either oral or notice and opportunity for written comments—is appropriate for consideration of a particular proposal by a self-regulatory organization. See Securities Act Amendments of 1975, Senate Comm. on Banking, Housing & Urban Affairs, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

¹¹ *Id.*

¹² 15 U.S.C. 78f(b)(5).

¹³ For a detailed discussion of the history of the concerns related to such P.M. settlement, see Securities Exchange Act Release Nos. 64599 (June 3, 2011), 76 FR 33798, 33801-02 (June 9, 2011) (order instituting proceedings to determine whether to approve or disapprove a proposed rule change to allow the listing and trading of SPXPM options) and 65256 (September 2, 2011), 76 FR 55969, 55970-76 (September 9, 2011) (order approving proposed rule change to establish a pilot program to list and trade SPXPM options).

¹⁴ See SPXPM Notice, *supra* note 9.

- Send an email to rule-comments@sec.gov. Please include File Number SR-Phlx-2017-04 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 Number SR-Phlx-2017-04. 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 these filings 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 Number SR-Phlx-2017-04 and should be submitted on or before May 30, 2017. Rebuttal comments should be submitted by June 13, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁶

Eduardo A. Aleman,
Assistant Secretary.

[FR Doc. 2017-09315 Filed 5-8-17; 8:45 am]

BILLING CODE 8011-01-P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #15088 and #15089]

CALIFORNIA Disaster Number CA-00264

AGENCY: U.S. Small Business Administration.

ACTION: Amendment 1.

SUMMARY: This is an amendment of the Presidential declaration of a major disaster for Public Assistance Only for the State of CALIFORNIA (FEMA-4305-DR), dated 03/16/2017.

Incident: Severe Winter Storms, Flooding, and Mudslides.

Incident Period: 01/18/2017 through 01/23/2017.

Effective Date: 05/03/2017.

Physical Loan Application Deadline Date: 05/15/2017.

Economic Injury (EIDL) Loan Application Deadline Date: 12/18/2017.

ADDRESSES: Submit completed loan applications to: U.S. Small Business Administration, Processing And Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

FOR FURTHER INFORMATION CONTACT: A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW., Suite 6050, Washington, DC 20416, (202) 205-6734.

SUPPLEMENTARY INFORMATION: The notice of the President's major disaster declaration for Private Non-Profit organizations in the State of CALIFORNIA, dated 03/16/2017, is hereby amended to include the following areas as adversely affected by the disaster.

Primary Counties: Alameda, Calaveras, Contra Costa Inyo, Modoc, Mono.

All other information in the original declaration remains unchanged.

(Catalog of Federal Domestic Assistance Number 59008)

Rafaela Monchek,

Acting Associate Administrator for Disaster Assistance.

[FR Doc. 2017-09347 Filed 5-8-17; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #15125 and #15126]

Resighini Rancheria Disaster #CA-00273

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is a Notice of the Presidential declaration of a major disaster for Public Assistance Only for the Resighini Rancheria (FEMA-4312-DR), dated 05/02/2017.

Incident: Flooding

Incident Period: 02/08/2017 through 02/11/2017

Effective Date: 05/02/2017

Physical Loan Application Deadline Date: 07/03/2017

Economic Injury (EIDL) Loan Application Deadline Date: 02/02/2018

ADDRESSES: Submit completed loan applications to: U.S. Small Business Administration, Processing And Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

FOR FURTHER INFORMATION CONTACT: A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW., Suite 6050, Washington, DC 20416, (202) 205-6734.

SUPPLEMENTARY INFORMATION: Notice is hereby given that as a result of the President's major disaster declaration on 05/02/2017, Private Non-Profit organizations that provide essential services of governmental nature may file disaster loan applications at the address listed above or other locally announced locations.

The following areas have been determined to be adversely affected by the disaster:

Primary Area: Resighini Rancheria

The Interest Rates are:

	Percent
<i>For Physical Damage:</i>	
Non-Profit Organizations With Credit Available Elsewhere ...	2.500
Non-Profit Organizations Without Credit Available Elsewhere	2.500
<i>For Economic Injury:</i>	
Non-Profit Organizations Without Credit Available Elsewhere	2.500

The number assigned to this disaster for physical damage is 151256 and for economic injury is 151266.

(Catalog of Federal Domestic Assistance Number 59008)

Rafaela Monchek,

Acting Associate Administrator for Disaster Assistance.

[FR Doc. 2017-09346 Filed 5-8-17; 8:45 am]

BILLING CODE 8025-01-P

DEPARTMENT OF STATE

[Delegation of Authority: 424]

Authority To Accept Volunteer Services From Students

By virtue of the authority vested in the Secretary of State by the laws of the United States, including 22 U.S.C. 2651a and 5 U.S.C. 3111 ("Section 3111"), and delegated pursuant to Delegation of Authority 372, dated April 4, 2014, to the extent authorized by law and pursuant to subsection (b) of Section 3111, I hereby delegate the

¹⁶ 17 CFR 200.30-3(a)(57).