

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-83363; File No. SR-CboeBZX-2018-036]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend a Representation Made in a Proposed Rule Change Previously Approved by the Commission Relating to the Listing and Trading of the iShares Inflation Hedged Corporate Bond ETF

June 1, 2018.

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 May 24, 2018, Cboe BZX Exchange, Inc. (the “Exchange” or “BZX”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II 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 filed a proposal to amend a representation made in a proposed rule change previously approved by the Commission relating to the listing and trading of the iShares Inflation Hedged Corporate Bond ETF (the “Fund”).

The text of the proposed rule change is available at the Exchange’s website at www.markets.cboe.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 statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant parts of such statements.

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

1. Purpose

The shares of the Fund (the “Shares”) were approved for listing and trading on the Exchange under Rule 14.11(i), which governs the listing and trading of Managed Fund Shares.³ The Shares have commenced trading on the Exchange. The Fund is a series of the iShares U.S. ETF Trust (the “Trust”), which was established as a Delaware statutory trust on June 21, 2011. BlackRock Fund Advisors (the “Adviser”) is the investment adviser to the Fund. The Trust is registered with the Commission as an open-end management investment company and has filed a registration statement on behalf of the Fund on Form N-1A (“Registration Statement”) with the Commission.⁴

The Exchange proposes to amend a representation made in the Approval Order such that the representation that limits Fund holdings in Inflation Hedging Instruments⁵ to 50% of the weight of its portfolio (including gross notional exposure) would instead limit the Fund’s holdings in Inflation Hedging Instruments to 60% of the weight of its portfolio (including gross notional exposure). While the Fund generally expects to have approximately 50% of the weight of its portfolio (including gross notional exposure) in Inflation Hedging Instruments, the Adviser would prefer to allow the Fund the flexibility to increase to 60% in order to allow for potential market movement in the Fund’s holdings. Specifically, the Exchange is proposing to change the sentence that reads:

The Exchange is proposing to allow the Fund to hold up to 50% of the weight of its portfolio (including gross notional exposure)

³ See Securities Exchange Act Release No. 82591 (January 26, 2018), 83 FR 4707 (February 1, 2018) (SR-BatsBZX-2017-54) (the “Approval Order”).

⁴ See Registration Statement on Form N-1A for the Trust, dated April 6, 2018 (File Nos. 333-179904 and 811-22649). The descriptions of the Fund and the Shares contained herein are based, in part, on information in the Registration Statement. The Commission has issued an order granting certain exemptive relief to the Company under the Investment Company Act of 1940 (15 U.S.C. 80a-1) (“1940 Act”) (the “Exemptive Order”). See Investment Company Act Release No. 29571 (January 24, 2011) (File No. 812-13601).

⁵ As defined in the Approval Order, Inflation Hedging Instruments include only the following instruments: OTC or listed inflation swaps (*i.e.*, contracts in which the Fund will make fixed-rate payments based on notional amount while receiving floating-rate payments determined from an inflation index), Treasury Inflation-Protected Securities, total return swaps, credit default swaps, interest rate swaps, and U.S. Treasury futures.

in Inflation Hedging Instruments, collectively, in a manner that may not comply with Rules 14.11(i)(4)(C)(iv)(a), 14.11(i)(4)(C)(iv)(b), and/or 14.11(i)(4)(C)(v), as discussed above.

The Exchange is proposing to replace that sentence with the following:

The Exchange is proposing to allow the Fund to hold up to 60% of the weight of its portfolio (including gross notional exposure) in Inflation Hedging Instruments, collectively, in a manner that may not comply with Rules 14.11(i)(4)(C)(iv)(a), 14.11(i)(4)(C)(iv)(b), and/or 14.11(i)(4)(C)(v), as discussed above.

The Exchange believes that this proposed change is a non-controversial change because it is intended only to provide the Adviser with additional flexibility within the Fund’s portfolio to hedge inflation risk associated with its exposure to corporate bonds. The Fund’s investment objective and investment strategy are not changing. Further to this point, all other representations in the Approval Order that constitute Continued Listing Representations⁶ for the Fund remain true and will apply on a continuous basis, consistent with Rule 14.11 and the proposed change to the representation above will be a Continued Listing Representation for the Fund going forward. The Exchange also notes that the statements in the filing that formed the basis for the Commission approving the Fund for listing and trading remain true. As such, the Exchange believes that the proposal does not raise any substantive issues that were not previously addressed in the Approval Order.

2. Statutory Basis

The Exchange believes that the proposal is consistent with Section 6(b) of the Act⁷ in general and Section 6(b)(5) of the Act⁸ in particular in that it is designed 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, in general, to protect investors and the public interest. Specifically, the Exchange believes that the proposal is designed to prevent fraudulent and manipulative acts and

⁶ As defined in Rule 14.11(a), the term “Continued Listing Representations” means any of the statements or representations regarding the index composition, the description of the portfolio or reference assets, limitations on portfolio holdings or reference assets, dissemination and availability of index, reference asset, and intraday indicative values (as applicable), or the applicability of Exchange listing rules specified in any filing to list a series of Other Securities.

⁷ 15 U.S.C. 78f.

⁸ 15 U.S.C. 78f(b)(5).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

practices, to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest.

As described above, all of the Continued Listing Representations which formed the basis for the Commission approving the Approval Order remain true and will continue to constitute Continued Listing Representations for the Fund with the exception of the single representation that the Exchange is proposing to amend, which, as amended, will be a Continued Listing Representation for the Fund going forward. This proposed change will only provide the Adviser with additional flexibility within the Fund's portfolio to hedge inflation risk associated with its exposure to corporate bonds. The Fund's investment objective and investment strategy are not changing. As such, the Exchange believes that the proposal does not raise any substantive issues that were not previously addressed in the Approval Order.

Based on the foregoing, the Exchange believes that the proposal is designed 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 because there are no substantive issues raised by this proposal that were not otherwise addressed by the Approval Order.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that adding the flexibility to fully implement the Fund's hedging strategy will have no impact on competition.

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: (i) Significantly affect the protection of investors or the public

interest; (ii) impose any significant burden on competition; and (iii) 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)(iii) of the Act⁹ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁰

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act¹¹ normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)¹² permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposed rule change may become effective and operative immediately upon filing. The Exchange states that waiver of the operative delay would permit the Adviser of the Fund to immediately employ the Adviser's strategy for hedging against inflation risk. According to the Exchange, this hedging strategy will best allow the Fund to achieve its investment objective and employ its investment strategy.

The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. The proposal raises no new novel issues. Moreover, as the noted above, apart from increasing the Fund's holdings in Inflation Hedging Instruments to 60% of the weight of its portfolio (including gross notional exposure), all other representations in the Approval Order that constitute Continued Listing Representations for the Fund would remain true and will apply on a continuous basis. Further, the proposed change to the representation above will be a Continued Listing Representation for the Fund going forward. Accordingly, the Commission hereby waives the operative delay and designates the proposal operative upon filing.¹³

At any time within 60 days of the filing of the proposed rule change, the

⁹ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁰ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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. The Exchange has satisfied this requirement.

¹¹ 17 CFR 240.19b-4(f)(6).

¹² 17 CFR 240.19b-4(f)(6)(iii).

¹³ For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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 proposal 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-CboeBZX-2018-036 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-CboeBZX-2018-036. 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 website (<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 website 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 will also be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should

submit only information that you wish to make available publicly. All submissions should refer to File Number SR—CboeBZX—2018—036 and should be submitted on or before June 28, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Eduardo A. Aleman,
Assistant Secretary.

[FR Doc. 2018–12196 Filed 6–6–18; 8:45 am]

BILLING CODE 8011–01–P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #15544 and #15545; VIRGINIA Disaster Number VA–00071]

Administrative Declaration of Disaster for the Commonwealth of VIRGINIA

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is a notice of an Administrative declaration of a disaster for the Commonwealth of Virginia dated 05/30/2018.

Incident: Severe Storm and Tornadoes.

Incident Period: 04/15/2018.

DATES: Issued on 05/30/2018.

Physical Loan Application Deadline Date: 07/30/2018.

Economic Injury (EIDL) Loan Application Deadline Date: 03/04/2019.

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 Administrator’s disaster declaration, applications for disaster loans may be filed at the address listed above or other locally announced locations.

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

Primary Counties: Lynchburg City

Contiguous Counties:

Virginia: Amherst, Bedford, Campbell.

The Interest Rates are:

| | Percent |
|---|---------|
| <i>For Physical Damage:</i> | |
| Homeowners With Credit Available Elsewhere | 3.625 |
| Homeowners Without Credit Available Elsewhere | 1.813 |
| Businesses With Credit Available Elsewhere | 7.160 |
| Businesses Without Credit Available Elsewhere | 3.580 |
| Non-Profit Organizations With Credit Available Elsewhere ... | 2.500 |
| Non-Profit Organizations Without Credit Available Elsewhere | 2.500 |
| <i>For Economic Injury:</i> | |
| Businesses & Small Agricultural Cooperatives Without Credit Available Elsewhere | 3.580 |
| Non-Profit Organizations Without Credit Available Elsewhere | 2.500 |

The number assigned to this disaster for physical damage is 15544C and for economic injury is 155450.

The State which received an EIDL Declaration # is Virginia. (Catalog of Federal Domestic Assistance Number 59008)

Dated: May 30, 2018.

Linda E. McMahon,
Administrator.

[FR Doc. 2018–12185 Filed 6–6–18; 8:45 am]

BILLING CODE 8025–01–P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36196]

Delmarva Central Railroad Company—Change in Operator Exemption—Cassatt Management, LLC d/b/a Bay Coast Railroad

Delmarva Central Railroad Company (DCR), a Class III rail carrier, has filed a verified notice of exemption under 49 CFR 1150.41 to assume operations over an approximately 14.8-mile rail line owned by Canonie Atlantic Co. (CAC) on behalf of the Accomack-Northampton Transportation District Commission (ANTDC) from milepost 30.9 in Pocomoke City, Md., to milepost 45.7 in Hallwood, Va. (the Line).

DCR states that the Line has been operated by Cassatt Management, LLC d/b/a Bay Coast Railroad (BCR).¹ DCR states that BCR has ceased operation of the Line and does not object to the proposed change in operators. DCR has concurrently filed a petition for waiver of the 30-day period specified under 49 CFR 1150.42(b) to allow the exemption

¹ See *Cassatt Management, LLC d/b/a Bay Coast R.R.—Lease & Operation Exemption—Canonie Atlantic Co. on behalf of ANTDC*, FD 34818 (STB served Feb. 6, 2006).

to become effective immediately.² According to DCR, a lease and operation agreement providing for its common carrier service on the Line is being finalized and executed.

DCR states that the proposed lease and operation of the Line does not involve any provision or agreement that would limit future interchange with a third-party connecting carrier. DCR certifies that its projected annual revenues from freight operations will not result in the creation of a Class II or Class I rail carrier.

Under 49 CFR 1150.42(b), a change in operators requires that notice be given to shippers. DCR certifies that it has provided notice of the proposed change in operator to the shippers on the Line.³

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption.

An original and 10 copies of all pleadings, referring to Docket No. FD 36196, must be filed with the Surface Transportation Board, 395 E Street SW, Washington, DC 20423–0001. In addition, a copy of each pleading must be served on DCR’s representative, Thomas J. Litwiler, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 920, Chicago, IL 60606–2832.

According to DCR, this action is excluded from environmental review under 49 CFR 1105.6(c) and from historic preservation reporting requirements under 49 CFR 1105.8(b)(1).

Board decisions and notices are available on our website at WWW.STB.GOV.

Decided: June 4, 2018. By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.

Jeffrey Herzig,
Clearance Clerk.

[FR Doc. 2018–12308 Filed 6–6–18; 8:45 am]

BILLING CODE 4915–01–P

² The petition for waiver will be addressed in a separate decision.

³ DCR certifies that on May 17, 2018, it posted notice of the transaction at the workplace of the then-current BCR employees on the Line as required under 49 CFR 1150.42(e). DCR states that BCR employees are not represented by any labor union. In addition to waiver of the 30-day effective date requirement, DCR’s petition seeks waiver of the full 60-day labor notice requirement, in order for the exemption to become effective immediately. As noted above, the petition for waiver will be addressed in a separate decision.

¹⁴ 17 CFR 200.30–3(a)(12).