

invites public comment, and takes other administrative steps.

**DATES:** *Comments are due:* September 30, 2020.

**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:**

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**I. Introduction**

The Commission gives notice that the Postal Service filed request(s) for the Commission to consider matters related to negotiated service agreement(s). The request(s) may propose the addition or removal of a negotiated service agreement from the market dominant or the competitive product list, or the modification of an existing product currently appearing on the market dominant or the competitive product list.

Section II identifies the docket number(s) associated with each Postal Service request, the title of each Postal Service request, the request's acceptance date, and the authority cited by the Postal Service for each request. For each request, the Commission appoints an officer of the Commission to represent the interests of the general public in the proceeding, pursuant to 39 U.S.C. 505 (Public Representative). Section II also establishes comment deadline(s) pertaining to each request.

The public portions of the Postal Service's request(s) can be accessed via the Commission's website (<http://www.prc.gov>). Non-public portions of the Postal Service's request(s), if any, can be accessed through compliance with the requirements of 39 CFR 3011.301.<sup>1</sup>

The Commission invites comments on whether the Postal Service's request(s) in the captioned docket(s) are consistent with the policies of title 39. For request(s) that the Postal Service states concern market dominant product(s), applicable statutory and regulatory requirements include 39 U.S.C. 3622, 39

U.S.C. 3642, 39 CFR part 3030, and 39 CFR part 3040, subpart B. For request(s) that the Postal Service states concern competitive product(s), applicable statutory and regulatory requirements include 39 U.S.C. 3632, 39 U.S.C. 3633, 39 U.S.C. 3642, 39 CFR part 3035, and 39 CFR part 3040, subpart B. Comment deadline(s) for each request appear in section II.

**II. Docketed Proceeding(s)**

1. *Docket No(s):* MC2020-253 and CP2020-283; *Filing Title:* USPS Request to Add Priority Mail Contract 664 to Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date:* September 22, 2020; *Filing Authority:* 39 U.S.C. 3642, 39 CFR 3040.130 through 3040.135, and 39 CFR 3035.105; *Public Representative:* Kenneth R. Moeller; *Comments Due:* September 30, 2020.

2. *Docket No(s):* MC2020-254 and CP2020-284; *Filing Title:* USPS Request to Add Priority Mail & First-Class Package Service Contract 168 to Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date:* September 22, 2020; *Filing Authority:* 39 U.S.C. 3642, 39 CFR 3040.130 through 3040.135, and 39 CFR 3035.105; *Public Representative:* Christopher C. Mohr; *Comments Due:* September 30, 2020.

This Notice will be published in the **Federal Register**.

**Erica A. Barker,**  
*Secretary.*

[FR Doc. 2020-21356 Filed 9-25-20; 8:45 am]  
**BILLING CODE 7710-FW-P**

**SECURITIES AND EXCHANGE COMMISSION**

**Sunshine Act Meetings**

**TIME AND DATE:** Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, the Securities and Exchange Commission will hold an Open Meeting on Wednesday, September 30, 2020 at 10:00 a.m.

**PLACE:** The meeting will be held via remote means and/or at the Commission's headquarters, 100 F Street, NE, Washington, DC 20549.

**STATUS:** This meeting will begin at 10:00 a.m. (ET) and will be open to the public via audio webcast only on the Commission's website at [www.sec.gov](http://www.sec.gov).

**MATTERS TO BE CONSIDERED:** The Commission will consider whether to propose amendments to Regulation ATS under the Securities Exchange Act of 1934 for alternative trading systems

("ATSs") that would, among other things, eliminate an exemption from compliance with Regulation ATS for ATSs that trade government securities, require ATSs that trade government securities to file a new public form, apply the fair access rule under Rule 301(b)(5) of Regulation ATS to ATSs that meet certain volume thresholds for U.S. Treasury securities and agency securities, and require the electronic filing of Form ATS and Form ATS-R; and propose amendments to Regulation SCI to apply to ATSs that meet certain volume thresholds for U.S. Treasury securities and agency securities. The Commission will also consider whether to issue a concept release on the regulatory framework for electronic platforms that trade corporate debt and municipal securities.

**CONTACT PERSON FOR MORE INFORMATION:** For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact Vanessa A. Countryman, Office of the Secretary, at (202) 551-5400.

Dated: September 23, 2020.

**Vanessa A. Countryman,**  
*Secretary.*

[FR Doc. 2020-21419 Filed 9-24-20; 11:15 am]  
**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-89948; File No. SR-ICC-2020-010]

**Self-Regulatory Organizations; ICE Clear Credit LLC; Order Approving Proposed Rule Change Relating to the ICC Risk Management Model Description**

September 22, 2020.

**I. Introduction**

On July 29, 2020, ICE Clear Credit LLC ("ICC") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4,<sup>2</sup> a proposed rule change to make changes to ICC's Risk Management Model Description.<sup>3</sup> The proposed rule change was published for comment in the **Federal Register** on August 12, 2020.<sup>4</sup>

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> Capitalized terms used but not defined herein have the meanings specified in the Rules.

<sup>4</sup> Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Proposed Rule Change Relating to the ICC Risk Management Model Description, Exchange Act Release No. 89491 (August 6, 2020);

<sup>1</sup> See Docket No. RM2018-3, Order Adopting Final Rules Relating to Non-Public Information, June 27, 2018, Attachment A at 19-22 (Order No. 4679).

The Commission did not receive comments regarding the proposed rule change. For the reasons discussed below, the Commission is approving the proposed rule change.

## II. Description of the Proposed Rule Change

ICC is proposing to make changes to its Risk Management Model Description in connection with its proposed launch of the clearing of credit default index swaptions (“Index Swaptions”).<sup>5</sup> ICC has previously filed with the Commission changes to certain other policies and procedures related to the clearing of Index Swaptions (the “Swaption Rule Filings”) in order to adopt or amend certain related policies and procedures in preparation for the launch of clearing of Index Swaptions.<sup>6</sup> The Swaption Rule Filings describe an Index Swaption as when one party (the “Swaption Buyer”) has the right (but not the obligation) to cause the other party (the “Swaption Seller”) to enter into an index credit default swap transaction at a pre-determined strike price on a specified expiration date on specified terms. In the case of Index Swaptions that would be cleared by ICC, the underlying index credit default swap would be limited to certain CDX and iTraxx Europe index credit default swaps that are accepted for clearing by ICC, and which would be automatically cleared by ICC upon exercise of the Index Swaption by the Swaption Buyer in accordance with its terms. As also described in the Swaption Rule Filings, ICC would not commence clearing of Index Swaptions until all such policies and procedures have been approved by the Commission or otherwise become effective. As such, ICC filed the proposed rule change as part of ICC’s larger effort to adopt the necessary policies and procedures prior to the eventual launch of the clearing of Index Swaptions.

The proposed changes would amend the Risk Management Model Description to incorporate a stochastic implied mean absolute deviation (“MAD”) feature in connection with the proposed launch of the clearing of Index Swaptions and make certain other minor clarification changes. Specifically, the proposed amendments

would modify Section VII of the Risk Management Model Description to add a subsection on stochastic implied MAD modeling. In ICC–2020–002, which is one of the Swaption Rule Filings, ICC modified the integrated spread response component of the margin model to incorporate an options-implied credit spread distribution, which includes a scale parameter related to the MAD implied from swaption prices (“implied MAD”).<sup>7</sup> In the current proposed rule change, ICC proposes enhancements to its approach to feature a stochastic implied MAD, which would present a more advanced risk modeling technique for option instruments in rapidly changing market conditions and high-volatility market environments. Currently, the model assumes a static implied MAD formulation where the implied MAD scale does not change in response to the simulated underlying index levels.

Under the proposed changes, the risk methodology for clearing Index Swaptions would consider the risk arising from the joint fluctuations of the underlying index levels and the options implied MAD scales in proposed Subsection VII.3. ICC would identify and describe the distribution that the changes of the implied MAD scales associated with each option expiry follow. ICC would also discuss and provide the rationale for its selected parameter estimation approach. Specifically, ICC would set out how the distribution parameters are estimated for a set of implied MAD changes. The proposed changes further explain how ICC models the joint fluctuations of the underlying index levels and the options implied MAD scales. Proposed Figure 12 illustrates the simulation approach and is thus intended to replace Figure 11 in Subsection VII.2.2 that ICC proposes to remove. Relatedly, in Subsection VII.5.1.1 with respect to instrument profit/loss (“P/L”) estimations for Index Swaptions, ICC proposes to add reference to notations related to the stochastic implied MAD from proposed Subsection VII.3.

The rule proposal would also make minor clarification changes to the Risk Management Model Description. Specifically, the proposal would reference the clearinghouse in Subsection III.6 when describing from where certain data is obtained and to abbreviate the term ‘mean absolute deviation’ in Subsection VI.2. Because of the addition of Subsection VII.3, the proposal would therefore renumber the subsections in Section VII accordingly.

Additionally, the proposal would make clarifications to a formula and its notes in Subsection VII.5.1.2 regarding risk factor P/L estimations, including with respect to the description of an alternative option position P/L computation, subsequent risk estimations and the addition of certain payments to portfolio requirements.

## III. Discussion and Commission Findings

Section 19(b)(2)(C) of the Act directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such organization.<sup>8</sup> For the reasons given below, the Commission finds that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act<sup>9</sup> and Rules 17Ad–22(e)(4)(ii) and 17Ad–22(e)(6)(i) thereunder.<sup>10</sup>

### A. Consistency With Section 17A(b)(3)(F) of the Act

Section 17A(b)(3)(F) of the Act requires, among other things, that the rules of ICC be designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts, and transactions, as well as to assure the safeguarding of securities and funds which are in the custody or control of ICC or for which it is responsible.<sup>11</sup>

As noted above, the proposed rule change would enable a stochastic implied MAD feature in the Risk Management Model Description in connection with the proposed launch of the clearing of Index Swaptions. The stochastic implied MAD approach considers the joint fluctuations of the underlying index levels and the options implied MAD scales, which is in contrast to the static implied MAD formulation where the implied MAD scale does not change in response to the simulated underlying index levels. The Commission believes that by adjusting its risk modeling to account for rapidly changing and highly volatile markets, ICC will enhance its ability to manage the participant default risk by taking into account changing market environments. The Commission also believes that the clarification updates foster more clear and up to date

<sup>5</sup> 85 FR 48741 (August 12, 2020) (SR–ICC–2020–010) (“Notice”).

<sup>6</sup> The description herein is substantially excerpted from the Notice.

<sup>7</sup> SEC Release No. 34–87297 (Oct. 15, 2019), 84 FR 56270 (Oct. 21, 2019) (SR–ICC–2019–007); SEC Release No. 34–89142 (June 24, 2020), 85 FR 39226 (June 30, 2020) (SR–ICC–2020–002); SEC Release No. 34–89436 (July 31, 2020), 85 FR 47827 (Aug. 6, 2020) (SR–ICC–2020–008).

<sup>8</sup> SEC Release No. 34–89142 (June 24, 2020), 85 FR 39226 (June 30, 2020) (SR–ICC–2020–002).

<sup>9</sup> 15 U.S.C. 78s(b)(2)(C).

<sup>10</sup> 15 U.S.C. 78q–1(b)(3)(F).

<sup>11</sup> 17 CFR 240.17Ad–22(e)(4)(ii) and 17 CFR 240.17Ad–22(e)(6)(i).

<sup>12</sup> 15 U.S.C. 78q–1(b)(3)(F).

documentation, which will also enhance ICC's ability to manage risk.

The Commission believes that such enhancements to ICC's ability to manage default risk combined with more up to date documentation will consequently enhance its financial position by facilitating the collection of margin more precisely tailored to the risks of the relevant products and, therefore, promote its ability to manage the applicable credit exposures, thereby helping to ensure ICC's continued operations in the event of a default and to promote the prompt and accurate clearance and settlement of transactions. Similarly, the Commission believes that the more precisely tailored margin could, in turn, help reduce the amount of credit losses that would potentially be charged to non-defaulting members in the event of a default, thereby helping to ensure that ICC is able to safeguard securities and funds in its custody and control. Therefore, the Commission believes that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act.<sup>12</sup>

#### B. Consistency With Rule 17Ad-22(e)(4)(ii)

Rule 17Ad-22(e)(4)(ii) requires each covered clearing agency to establish, implement, maintain, and enforce written policies and procedures reasonably designed to effectively identify, measure, monitor, and manage its credit exposures to participants and those arising from its payment, clearing, and settlement processes, including by maintaining additional financial resources at the minimum to enable it to cover a wide range of foreseeable stress scenarios that include, but are not limited to, the default of the two participant families that would potentially cause the largest aggregate credit exposure for the covered clearing agency in extreme but plausible market conditions.<sup>13</sup>

As noted above, the proposed rule change would modify the Risk Management Model Description to add a subsection on stochastic implied MAD modeling in which the risk methodology for clearing Index Swaptions would consider the risk arising from the joint fluctuations of the underlying index levels and the options implied MAD scales. The Commission believes that by incorporating these changes, ICC will be in a better position to anticipate risks in these products under more dynamic and volatile market conditions for the underlying indexes, thereby enhancing its ability to

collect the appropriate margin and consequently cover a wide range of foreseeable stress scenarios that include, but are not limited to, the default of the two participant families that would potentially cause the largest aggregate credit exposure for the covered clearing agency in extreme but plausible market conditions. For these reasons, the Commission believes that the proposed rule change is consistent with Rule 17Ad-22(e)(4)(ii).<sup>14</sup>

#### C. Consistency With Rule 17Ad-22(e)(6)(i)

Rule 17Ad-22(e)(6)(i) requires each covered clearing agency to establish, implement, maintain, and enforce written policies and procedures reasonably designed to cover its credit exposures to its participants by establishing a risk-based margin system that, at a minimum, considers, and produces margin levels commensurate with, the risks and particular attributes of each relevant product, portfolio, and market. As noted above, the proposed rule change considers the relationship between the underlying index levels and the implied MAD scales and presents a more advanced risk modeling technique for option instruments in rapidly changing market conditions and high-volatility market environments. The Commission believes that by taking into account the market dynamics of the underlying index levels, the proposed change will enable ICC to produce margin levels commensurate with the risks and attributes of Index Swaptions. The Commission believes that the proposed rule change is therefore consistent with Rule 17Ad-22(e)(6)(i).<sup>15</sup>

#### IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act, and in particular, with the requirements of Section 17A(b)(3)(F) of the Act<sup>16</sup> and Rules 17Ad-22(e)(4)(ii) and 17Ad-22(e)(6)(i) thereunder.<sup>17</sup>

*It is therefore ordered* pursuant to Section 19(b)(2) of the Act<sup>18</sup> that the proposed rule change (SR-ICC-2020-010) be, and hereby is, approved.<sup>19</sup>

<sup>14</sup> *Id.*

<sup>15</sup> 17 CFR 240.17Ad-22(e)(6)(i).

<sup>16</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>17</sup> 17 CFR 240.17Ad-22(e)(4)(ii) and 17 CFR 240.17Ad-22(e)(6)(i).

<sup>18</sup> 15 U.S.C. 78s(b)(2).

<sup>19</sup> In approving the proposed rule change, the Commission considered the proposal's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

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

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

[FR Doc. 2020-21269 Filed 9-25-20; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-89952; File No. SR-DTC-2020-011]

### Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing of Proposed Rule Change To Amend Rule 4

September 22, 2020.

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> notice is hereby given that on September 9, 2020, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the clearing agency.<sup>3</sup> The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change would amend Rule 4<sup>4</sup> to provide expressly that the Participants Fund continues to be a liquidity resource that may be used by DTC to fund a settlement funding gap to complete settlement on a Business Day, whether the funding gap is the result of a Participant Default or otherwise. In addition, the proposed rule change

<sup>20</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> On September 9, 2020, DTC filed this proposed rule change as an advance notice (SR-DTC-2020-801) with the Commission pursuant to Section 806(e)(1) of Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act entitled the Payment, Clearing, and Settlement Supervision Act of 2010, 12 U.S.C. 5465(e)(1), and Rule 19b-4(n)(1)(i) under the Act, 17 CFR 240.19b-4(n)(1)(i). A copy of the advance notice is available at <http://www.dtcc.com/legal/sec-rule-filings.aspx>.

<sup>4</sup> Each capitalized term not otherwise defined herein has its respective meaning as set forth in DTC's rules, including, but not limited to, the Rules, By-Laws and Organization Certificate of DTC (the "Rules") and the DTC Settlement Service Guide (the "Settlement Guide"), available at <http://www.dtcc.com/legal/rules-and-procedures.aspx>. The Settlement Guide is a Procedure of DTC filed with the Commission that, among other things, operationalizes and supplements the DTC Rules that relate to settlement, including, but not limited to, Rule 4 (Participants Fund and Participants Investment).

<sup>12</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>13</sup> 17 CFR 240.17Ad-22(e)(4)(ii).