

application may be inspected by interested parties at the Permit Office, address below.

ADDRESSES: Comments should be addressed to Permit Office, Office of Polar Programs, National Science Foundation, 2415 Eisenhower Avenue, Alexandria, Virginia 22314.

FOR FURTHER INFORMATION CONTACT: Nature McGinn, ACA Permit Officer, at the above address, 703-292-8030, or ACAPermits@nsf.gov.

SUPPLEMENTARY INFORMATION: The National Science Foundation, as directed by the Antarctic Conservation Act of 1978 (Pub. L. 95-541, 45 CFR 671), as amended by the Antarctic Science, Tourism and Conservation Act of 1996, has developed regulations for the establishment of a permit system for various activities in Antarctica and designation of certain animals and certain geographic areas requiring special protection. The regulations establish such a permit system to designate Antarctic Specially Protected Areas.

Application Details

Permit Application: 2020-026

1. *Applicant:* Brandon Savory, 662 Ash St, Prescott, AZ 86305.

Activity for Which Permit Is Requested: Waste management. Applicant requests that the yacht SV Cool Change be allowed to operate in the Antarctic Treaty area, to cruise along the Antarctic Peninsula for tourism and sightseeing purposes. Applicant proposes to make select stops at non-protected area landings, for day-time sightseeing. Garbage and food waste would be stored onboard the vessel and disposed of outside Antarctica. Human waste generated during shore excursions would be contained, stored on the vessel, and disposed of outside Antarctica. Should it be absolutely necessary, greywater and blackwater would be released at least 12 miles offshore and while the vessel maintains a speed of at least four knots.

Location: Antarctic Peninsula region.

Dates of Permitted Activities: January 1–February 28, 2020.

Erika N. Davis,

Program Specialist, Office of Polar Programs.

[FR Doc. 2019-28097 Filed 12-27-19; 8:45 am]

BILLING CODE 7555-01-P

POSTAL SERVICE

Product Change—Priority Mail Express and Priority Mail Negotiated Service Agreement

AGENCY: Postal Service™.

ACTION: Notice.

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

DATES: *Date of required notice:* December 30, 2019.

FOR FURTHER INFORMATION CONTACT: Sean Robinson, 202-268-8405.

SUPPLEMENTARY INFORMATION: The United States Postal Service® hereby gives notice that, pursuant to 39 U.S.C. 3642 and 3632(b)(3), on December 20, 2019, it filed with the Postal Regulatory Commission a *USPS Request to Add Priority Mail Express & Priority Mail Contract 110 to Competitive Product List*. Documents are available at www.prc.gov, Docket Nos. MC2020-80, CP2020-79.

Sean Robinson,

Attorney, Corporate and Postal Business Law.

[FR Doc. 2019-28047 Filed 12-27-19; 8:45 am]

BILLING CODE 7710-12-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-87841; File No. SR-NYSEAMER-2019-58]

Self-Regulatory Organizations; NYSE American LLC; Notice of Filing and Immediate Effectiveness of Proposed Change To Amend Its NYSE American Equities Price List and Fee Schedule and the NYSE American Options Fee Schedule To Extend for One Year a Fee Discount for the Partial Cabinet Solution Bundles Offered in Connection With the Exchange's Co-location Services

December 23, 2019.

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 December 16, 2019, NYSE American LLC ("NYSE American" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

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

The Exchange proposes to amend its NYSE American Equities Price List and Fee Schedule ("Price List") and the NYSE American Options Fee Schedule ("Fee Schedule") to extend for one year a fee discount for the Partial Cabinet Solution bundles offered in connection with the Exchange's co-location services. The proposed change is available on the Exchange's website 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.

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

1. Purpose

The Exchange proposes to amend the Price List and Fee Schedule related to co-location ⁴ services to extend a fee discount for the Partial Cabinet Solution ("PCS") bundles that the Exchange offers Users.⁵

There are four PCS bundles, each of which includes a partial cabinet; access

⁴ 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. 62961 (September 21, 2010), 75 FR 59299 (September 27, 2010) (SR-NYSEAmex-2010-80). The Exchange operates a data center in Mahwah, New Jersey (the "data center") from which it provides co-location services to Users.

⁵ 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. See Securities Exchange Act Release No. 76009 (September 29, 2015), 80 FR 60213 (October 5, 2015) (SR-NYSEAMKT-2015-67). As specified in the Price List and Fee Schedule, 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 the New York Stock Exchange LLC, NYSE Arca, Inc., NYSE Chicago, Inc. and NYSE National, Inc. (collectively, the "Affiliate SROs"). See Securities Exchange Act Release No. 70176 (August 13, 2013), 78 FR 50471 (August 19, 2013) (SR-NYSEAMKT-2013-67).

to the Liquidity Center Network (“LCN”) and internet protocol (“IP”) network, the local area networks available in the data center; two fiber cross connections; and connectivity to one of two time feeds.⁶ The PCS bundles were designed to attract smaller Users, including those with minimal power or cabinet space demands or

those for which the costs attendant with having a dedicated cabinet or greater network connection bandwidth are too burdensome.⁷

The Exchange offers Users that purchase a PCS bundle on or before December 31, 2019 a 50% reduction in the monthly recurring charges (“MRC”) for the first 24 months.⁸ The Exchange

proposes to extend the 50% fee reduction to those Users that purchase a PCS bundle on or before December 31, 2020.⁹ The Exchange does not propose to amend the length of the discount period.

The amended portions of the Price List and Fee Schedule would read as follows:

Type of service	Description	Amount of charge
Partial Cabinet Solution bundles <i>Note:</i> A User and its Affiliates are limited to one Partial Cabinet Solution bundle at a time. A User and its Affiliates must have an Aggregate Cabinet Footprint of 2 kW or less to qualify for a Partial Cabinet Solution bundle. See Note 2 under “General Notes.”	Option A: 1 kW partial cabinet, 1 LCN connection (1 Gb), 1 IP network connection (1 Gb), 2 fiber cross connections and either the Network Time Protocol Feed or Precision Timing Protocol. Option B: 2 kW partial cabinet, 1 LCN connection (1 Gb), 1 IP network connection (1 Gb), 2 fiber cross connections and either the Network Time Protocol Feed or Precision Timing Protocol. Option C: 1 kW partial cabinet, 1 LCN connection (10 Gb LX), 1 IP network connection (10 Gb), 2 fiber cross connections and either the Network Time Protocol Feed or Precision Timing Protocol. Option D: 2 kW partial cabinet, 1 LCN connection (10 Gb LX), 1 IP network connection (10 Gb), 2 fiber cross connections and either the Network Time Protocol Feed or Precision Timing Protocol.	\$7,500 initial charge per bundle plus monthly charge per bundle as follows: • For Users that order on or before December 31, 2020: \$3,000 monthly for first 24 months of service, and \$6,000 monthly thereafter. • For Users that order after December 31, 2020: \$6,000 monthly. \$7,500 initial charge per bundle plus monthly charge per bundle as follows: • For Users that order on or before December 31, 2020: \$3,500 monthly for first 24 months of service, and \$7,000 monthly thereafter. • For Users that order after December 31, 2020: \$7,000 monthly. \$10,000 initial charge per bundle plus monthly charge per bundle as follows: • For Users that order on or before December 31, 2020: \$7,000 monthly for first 24 months of service, and \$14,000 monthly thereafter. • For Users that order after December 31, 2020: \$14,000 monthly. \$10,000 initial charge per bundle plus monthly charge per bundle as follows: • For Users that order on or before December 31, 2020: \$7,500 monthly for first 24 months of service, and \$15,000 monthly thereafter. • For Users that order after December 31, 2020: \$15,000 monthly.

Application and Impact of the Proposed Change

The proposed change would apply to all PCS bundles. The proposed change would not apply differently to distinct types or sizes of market participants. Rather, it would apply to all Users equally.

Users that require other sizes or combinations of cabinets, network connections and cross connects could still request them. As is currently the case, the purchase of any colocation service, including PCS bundles, is completely voluntary and the Price List and Fee Schedule are applied uniformly to all Users.

Competitive Environment

A User may host another entity in its space within the data center. Such Users

are called “Hosting Users,” and their customers are “Hosted Customers.”¹⁰

Based on conversations with Users and potential customers, the Exchange believes that Hosting Users offer bundles (“Hosting User Bundles”) that include cabinet space and space on shared LCN and IP network connections—and that the Hosting User Bundles provide their end users with a service similar to that of the PCS bundles, but with a lower cost and latency.¹¹

The Exchange believes that, by extending the existing eligibility for a 50% MRC reduction for another year, the proposed change may make PCS bundles more competitive with the services that Hosting Users offer. Importantly, the proposed extension would provide potential Users with a wider range of choices for the period of the extension, which would be

especially beneficial for potential Users with minimal power or cabinet space demands or those for which the costs attendant with having a dedicated cabinet or greater network connection bandwidth are too burdensome.¹²

The Exchange operates in a highly competitive market in which exchanges and other vendors (*i.e.*, Hosting Users) offer co-location services as a means to facilitate the trading and other market activities of those market participants who believe that co-location enhances the efficiency of their operations. The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and recognized that current

⁶ See Securities Exchange Act Release No. 77071 (February 5, 2016), 81 FR 7382 (February 11, 2016) (SR–NYSEMKT–2015–89).

⁷ *Id.*, at 7384.

⁸ See Securities Exchange Act Release No. 84925 (December 21, 2018), 83 FR 67754 (December 31, 2019) (SR–NYSEAMER–2018–55).

⁹ The Exchange previously extended the MRC reduction for one year. See Securities Exchange Act Release Nos. 82224 (December 6, 2017), 82 FR

58465 (December 12, 2017) (SR–NYSEAMER–2017–35); and 79717 (December 30, 2016), 82 FR 1767 (January 6, 2017) (SR–NYSEMKT–2016–123).

¹⁰ A Hosting User is required to be a User, but because only Users can be Hosting Users, a Hosted Customer is not able to provide hosting services to any other entities in the space in which it is hosted. The Exchange allows Users to act as Hosting Users for a monthly fee. See Securities Exchange Act

Release No. 76009 (September 29, 2015), 80 FR 60213 (October 5, 2015) (SR–NYSEMKT–2015–67).

¹¹ Because Hosting Users’ services are not regulated, they may offer differentiated pricing and are not required to make their pricing public or disclose it to the Exchange. The Exchange therefore does not have direct visibility into the specific range of options, or cost thereof, offered by Hosting Users, and relies on third parties for information.

¹² See *supra* note 7.

regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”¹³

General

As is the case with all Exchange collocation 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 collocation 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 collocation service described herein, regardless of whether the User connects only to the Exchange or to the Exchange and one or more of the Affiliate SROs.¹⁵

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 Section 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 does not unfairly discriminate between customers, issuers, brokers, or dealers. The

Exchange also believes that the proposed rule change is consistent with Section 6(b)(4) of the Act,¹⁸ because 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 Proposed Change Is Not Unfairly Discriminatory

The Exchange believes its proposal is not unfairly discriminatory.

The proposed change would not apply differently to distinct types or sizes of market participants. Rather, it would apply to all Users equally. The Exchange would continue to offer the four different PCS bundles with different cabinet footprints and network connections options. Users that require other sizes or combinations of cabinets, network connections and cross connects could still request them. As is currently the case, the purchase of any collocation service, including PCS bundles, would be completely voluntary.

The proposed change would ensure that all Users that order a bundle on or before December 31, 2020 would have their MRC reduced by 50% for the first 24 months. Extending the period would make it more cost effective for current or potential Users to utilize co-location by offering a cost effective, convenient way to create a collocation environment, through the choice among PCS bundles with different cabinet footprints and network connections options. The Exchange expects that such Users would include those with minimal power or cabinet space demands and Users for which the costs attendant with having a dedicated cabinet or greater network connection bandwidth are too burdensome.

The Proposed Change Is Reasonable

The Exchange believes its proposal is reasonable.

The Exchange believes that it is reasonable to extend the period of eligibility for a 50% MRC reduction as an incentive to Users to utilize PCS bundles. Extending the existing eligibility for a 50% MRC reduction for another year would provide smaller current or potential Users with minimal power or cabinet space demands with additional time to purchase a PCS bundle at a discounted rate.

The Exchange believes that, by extending the existing eligibility for a 50% MRC reduction for another year, the proposed change may make PCS bundles more competitive with the

services that Hosting Users offer. The proposed extension would continue to provide potential Users with a wider range of choices for the period of the extension.

The Proposed Change Is an Equitable Allocation of Fees and Credits

The Exchange believes its proposal equitably allocates its fees among its market participants.

The proposed change would not apply differently to distinct types or sizes of market participants. Rather, it would apply to all Users equally. The Exchange would continue to offer the four different PCS bundles with different cabinet footprints and network connections options. Users that require other sizes or combinations of cabinets, network connections and cross connects could still request them. As is currently the case, the purchase of any collocation service, including PCS bundles, would be completely voluntary.

Having the change apply to all PCS bundles would ensure that all Users that order a bundle on or before December 31, 2020 would have their MRC reduced by 50% for the first 24 months. Extending the period would make it more cost effective for current or potential Users to utilize co-location by continuing to offer a cost effective, convenient way to create a collocation environment, through the choice among PCS bundles with different cabinet footprints and network connections options. The Exchange expects that such Users would include those with minimal power or cabinet space demands and Users for which the costs attendant with having a dedicated cabinet or greater network connection bandwidth are too burdensome.

Without this proposed rule change, potential Users choosing between a PCS bundle and a Hosting User Bundle would have fewer attractive options. This would be a detriment for them, especially for potential Users with minimal power or cabinet space demands or those for which the costs attendant with having a dedicated cabinet or greater network connection bandwidth are too burdensome.¹⁹

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 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

¹³ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

¹⁴ As is currently the case, Users that receive collocation 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 other Users. 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 all Users, although Users that receive co-location services normally would expect reduced latencies, as compared to Users that are not co-located, in sending orders to, and receiving market data from, the Exchange.

¹⁵ See 78 FR 50471, *supra* note 5, at 50471. Each of the Affiliate SROs has submitted substantially the same proposed rule change to propose the changes described herein. See SR-NYSE-2019-72, SR-NYSEArca-2019-97, SR-NYSECHX-2019-27, and SR-NYSENAT-2019-32.

¹⁶ 15 U.S.C. 78f(b).

¹⁷ 15 U.S.C. 78f(b)(5).

¹⁸ 15 U.S.C. 78f(b)(4).

¹⁹ See *supra* note 7.

established from time to time by the Exchange.

For these reasons, the Exchange believes that the proposal is consistent with the Act.

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

The proposed rule changes will not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of Section 6(b)(8) of the Act.²⁰

Intramarket Competition

The Exchange does not believe that the proposed change would place any burden on intramarket competition that is not necessary or appropriate. The proposed changes would enhance competition by extending the period of eligibility for a 50% MRC reduction to all Users that order a bundle on or before December 31, 2020. Such change would make it more cost effective for current or potential Users to utilize co-location by offering a cost effective, convenient way to create a colocation environment, through the choice among PCS bundles with different cabinet footprints and network connections options. The Exchange believes that, by extending the period of eligibility, the proposed change may make PCS bundles more attractive to potential Users who might otherwise opt to become Hosted Customers, and thus enhance the competitive environment for potential Users (who would then have more options from which to select).

Importantly, the proposed extension would provide potential Users with a wider range of choices for the period of the extension, which would be especially beneficial for potential Users with minimal power or cabinet space demands or those for which the costs attendant with having a dedicated cabinet or greater network connection bandwidth are too burdensome. At the same time, however, no potential User would be obligated to purchase a PCS bundle, and it would still have the options offered by Hosting Users.

PCS bundles allow Users to select their desired cabinet footprint and network connections at a reduced MRC for the first 24 months. Such Users may choose, in turn, to pass on such cost savings to their customers. In addition to the proposed services being completely voluntary, they are available to all Users on an equal basis (*i.e.* the same products and services are available to all Users, and the extension of the

50% reduction for the MRC for the PCS bundles, would apply to all Users).

Intermarket Competition

The Exchange does not believe that the proposed fee would impose any burden on intermarket competition that is not necessary or appropriate. The proposed change is not meant to affect competition among national securities exchanges. Rather, the Exchange believes that the proposed change is a reasonable attempt to maintain a more level playing field between the Exchange and the Hosting Users, who compete for Hosted Customer business. Because Hosting Users' services are not regulated, they may offer differentiated pricing and are not required to make their pricing public. The Exchange believes that the proposed change may make PCS bundles more attractive to potential Users who might otherwise opt to become Hosted Customers.

The Exchange operates in a highly competitive market in which exchanges offer co-location services as a means to facilitate the trading and other market activities of those market participants who believe that co-location enhances the efficiency of their operations. Accordingly, fees charged for co-location services are constrained by the active competition for the order flow of, and other business from, such market participants. If a particular exchange charges excessive fees for co-location services, affected market participants will opt to terminate their co-location arrangements with that exchange, and adopt a possible range of alternative strategies, including placing their servers in a physically proximate location outside the exchange's data center (which could be a competing exchange), or pursuing strategies less dependent upon the lower exchange-to-participant latency associated with co-location. Accordingly, the exchange charging excessive fees would stand to lose not only co-location revenues but also the liquidity of the formerly co-located trading firms, which could have additional follow-on effects on the market share and revenue of the affected exchange. 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.

The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized

that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."²¹

For the reasons described above, the Exchange believes that the proposed rule changes reflect 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

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)²² of the Act and subparagraph (f)(2) of Rule 19b-4²³ thereunder, because it establishes a due, fee, or other charge imposed by the Exchange.

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)²⁴ of the Act to determine whether the proposed rule change 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-NYSEAMER-2019-58 on the subject line.

²¹ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

²² 15 U.S.C. 78s(b)(3)(A).

²³ 17 CFR 240.19b-4(f)(2).

²⁴ 15 U.S.C. 78s(b)(2)(B).

²⁰ 15 U.S.C. 78f(b)(8).

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–NYSEAMER–2019–58. 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 also will 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–NYSEAMER–2019–58 and should be submitted on or before January 21, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁵

Eduardo A. Aleman,
Deputy Secretary.

[FR Doc. 2019–28169 Filed 12–27–19; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–87837; File No. SR–FINRA–2019–028]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Order Approving Proposed Rule Change To Allow FINRA To Publish or Distribute Aggregated Transaction Information and Statistics on U.S. Treasury Securities

December 20, 2019.

I. Introduction

On November 12, 2019, the Financial Industry Regulatory Authority, Inc. (“FINRA”) 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 amend FINRA Rule 6750 to allow FINRA to publish or distribute aggregated transaction information and statistics on U.S. Treasury Securities. The proposed rule change was published for comment in the **Federal Register** on November 20, 2019.³ The Commission received no comment letters on the proposed rule change. This order approves the proposed rule change.

II. Description of the Proposal

Existing FINRA Rule 6750(a) provides that FINRA will publicly disseminate information regarding a transaction in a TRACE-Eligible Security ⁴ immediately upon receipt of a transaction report, unless an exception applies. FINRA Rule 6750(c)(5) specifies that FINRA will not disseminate information on a transaction in a TRACE-Eligible Security that is a U.S. Treasury Security.⁵ Currently, Supplementary

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ See Securities Exchange Act Release No. 87540 (November 14, 2019), 84 FR 64147 (November 20, 2019) (“Notice”).

⁴ FINRA Rule 6710(a) defines a “TRACE-Eligible Security” as a debt security that is U.S. dollar-denominated and is: (1) Issued by a U.S. or foreign private issuer, and, if a “restricted security” as defined in Securities Act of 1933 Rule 144(a)(3), sold pursuant to Securities Act of 1933 Rule 144A; (2) issued or guaranteed by an Agency, as defined in FINRA Rule 6710(k) or a Government-Sponsored Enterprise as defined in FINRA Rule 6710(n); or (3) a U.S. Treasury Security, as defined in FINRA Rule 6710(p). “TRACE-Eligible Security” does not include a debt security that is issued by a foreign sovereign or a Money Market Instrument, as defined in FINRA Rule 6710(o).

⁵ “U.S. Treasury Security” means a security, other than a savings bond, issued by the U.S. Department of the Treasury (“Treasury Department”) to fund the operations of the federal government or to retire such outstanding securities. The term also includes

Material .01 to FINRA Rule 6750 provides that, notwithstanding FINRA Rule 6750(c), FINRA may publish or distribute aggregated transaction information and statistics on non-disseminated TRACE-Eligible Securities other than U.S. Treasury Securities at no charge, unless FINRA submits a rule filing to the Commission imposing a fee for such data.

FINRA has proposed to amend Supplementary Material .01 to FINRA Rule 6750 to provide that FINRA may publish or distribute weekly aggregated transaction information and statistics on non-disseminated TRACE-Eligible Securities that are U.S. Treasury Securities. Pursuant to the proposed rule change, the aggregated U.S. Treasury Securities data would not be published or distributed by individual security, except for aggregated data that includes on-the-run U.S. Treasury Securities that may have had only one on-the-run security during the aggregated period.⁶ In addition, the aggregated data would not identify individual market participants or transactions. FINRA has proposed to provide the aggregated data on U.S. Treasury Securities at no charge, unless FINRA first establishes a fee for such data by submitting an appropriate rule filing, as is the case with the aggregated data for TRACE-Eligible Securities that are not U.S. Treasury Securities.

FINRA has stated that the proposed rule change will become effective on the date of Commission approval.⁷

III. Discussion and Commission Findings

After careful consideration, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities association.⁸ In particular, the Commission finds that the proposed rule change is consistent with Section 15A(b)(6) of the Act,⁹

separate principal and interest components of a U.S. Treasury Security that have been separated pursuant to the Separate Trading of Registered Interest and Principal of Securities (STRIPS) program operated by the Treasury Department. See FINRA Rule 6710(p).

⁶ In the Notice, FINRA stated that it intends to publish weekly volume information aggregated by U.S. Treasury Security subtype (e.g., Bills, Floating Rate Notes, Treasury Inflation-Protected Securities, and Nominal Coupons). FINRA further stated that the volume information may be grouped within dealer-to-customer, ATS and dealer-to-dealer, remaining years to maturity, or other categories. See Notice, 84 FR at 64148.

⁷ See *id.*

⁸ In approving this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

⁹ 15 U.S.C. 78o–3(b)(6).

²⁵ 17 CFR 200.30–3(a)(12).