The second change adds a range of dimensions for Priority Mail Flat Rate Envelopes. Id. The Postal Service explains that the range will be more consistent with its Flat Rate Envelope packaging options for both retail and commercial customers. Id.

The Postal Service asserts that these changes will improve uniformity in the size limitation language in the Mail Classification Schedule (MCS) across all types of packaging and price categories within the Priority Mail product. It proposes conforming MCS language attached to its Notice.

The Commission establishes Docket No. MC2011–26 for consideration of matters related to the proposed classification change identified in the Notice.

Interested persons may submit comments on whether the Postal Service’s request is consistent with the policies of 39 U.S.C. 3642 and generally with the provisions of title 39.

Comments are due no later than August 4, 2011. The Postal Service’s Notice can be accessed via the Commission’s Web site (http://www.prc.gov).

The Commissionappoints James F. Callow to serve as Public Representative in the captioned proceeding. It is ordered:


2. Comments by interested persons are due no later than August 4, 2011.

3. Pursuant to 39 U.S.C. 505, James F. Callow is appointed to serve as the officer of the Commission (Public Representative) to represent the interests of the general public in this proceeding.

4. The Secretary shall arrange for publication of this order in the Federal Register.

By the Commission.

Shoshana M. Grove, Secretary.
I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend the Fee Schedule of the Boston Options Exchange Group, LLC (“BOX”). While changes to the BOX Fee Schedule pursuant to this proposal will be effective upon filing, the changes will become operative on August 1, 2011. The text of the proposed rule change is available from the principal office of the Exchange, at the Commission’s Public Reference Room, on the Exchange’s Internet Web site at http://nasdaqomxbx.cchwallstreet.com/NASDAQOMXBX/Filings and on the Commission’s Web site at http://www.sec.gov.

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 these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

Fees and Credits in Section 7

Currently, Section 7d of the BOX Fee Schedule specifies a $0.30 credit and fee for transactions in the BOX Price Improvement Period (“PIP”). These credits and fees apply equally to all account types, whether Public Customer, Broker Dealer or Market Maker, and across options classes, both those within the Penny Pilot program and those not in the Penny Pilot program (“Non-Penny classes”), and are in addition to any applicable trading fees, as described in Sections 1 through 3 of the BOX Fee Schedule.

The Exchange proposes to increase the existing credits and fees within Section 7d for PIP transactions in Non-Penny classes, and in Penny Pilot classes (other than QQQQ, SPY, and IWM) where the trade price is equal to or greater than $3.00, from $0.30 to $0.75. Further, the Exchange proposes to add corresponding provisions and clarifying language to Section 7d of the BOX Fee Schedule to specify that the fee and credit for all PIP transactions will remain $0.30: (1) In QQQQ, SPY, and IWM; and (2) in all other Penny Pilot Classes where the trade price is less than $3.00.5

The proposed increase in credits and fees for the specified PIP transactions is designed to provide all BOX market participants an additional incentive to submit their customer orders to the PIP Maker, and across options classes, both within the Penny Pilot program and those not in the Penny Pilot program (“Non-Penny classes”), and are in addition to any applicable trading fees, as described in Sections 1 through 3 of the BOX Fee Schedule.

The Exchange believes that the proposed rule change will benefit from its potential price improvement. BOX believes the change to PIP transaction fees and credits are competitive, fair and reasonable, and non-discriminatory in that they apply to all categories of participants and across all account types. Additionally, BOX believes the

5 See BOX Trading Rules Chapter V, Section 6(b).