

Parcel Post at UPU Rates to the competitive product list.<sup>3</sup>

The Postal Service states in its Notice that the rates in its filing comport with Governors' Decision No. 09-15 and are "the highest possible inward land rates for which the Postal Service was eligible based on inflation increases and other factors." Notice at 2-3.

In the Postal Service's Request in Docket Nos. MC2010-11 and CP2010-11, it explains the process for determining Inbound Air Parcel Post at UPU Rates. In its Request, the Postal Service indicates that the United States receives both air and surface parcels from foreign postal administrations which compensate the Postal Service for delivery of these parcels in the United States. Request at 2. It maintains that it has negotiated separate agreements for parcel rates with certain foreign posts, but most compensate it at the United States default rates for inbound parcel delivery. *Id.* Payments between postal administrations for handling and delivering parcel post are referred to as inward land rates. The Postal Service notes that inward land rates are set according to formulas in the UPU Parcel Post Regulations which constitute international law. *Id.* More specifically, the UPU Postal Operations Council establishes inward land rates.<sup>4</sup> Such rates are based on a percentage of each member's inward land rate in 2004. *Id.* at 3. UPU members may qualify for percentage "bonuses" to their base rate based upon their provision of certain value-added services.<sup>5</sup> *Id.* The Postal Service states it is responsible for gathering information that the UPU Postal Operations Council uses to calculate the rates, including completion of a questionnaire on service bonus eligibility and submission of annual inflation information from the Consumer Price Index for All Urban Consumers. *Id.* Based on this and similar information from the member posts, the UPU International Bureau publishes an annual notice establishing the postal administration's parcel rates for the following year. *Id.*

The Postal Service states that because of the unique mechanism for setting inward land rates, it chose to establish

<sup>3</sup> See Docket Nos. MC2010-11 and CP2010-11, Order Adding Inbound Air Parcel Post at UPU Rates to Competitive Product List, December 15, 2009 (Order No. 362).

<sup>4</sup> The UPU Postal Operations Council is a designated body of the UPU which is responsible for rate setting.

<sup>5</sup> The Postal Service states that services such as "track and trace, home delivery, published delivery standards, and use of a common inquiry system" qualify UPU members for bonuses. *Id.* Members may also seek an inflation-related adjustment to the base rate which is capped at 5 percent per year.

rates for inbound air parcels by reference to the Universal Postal Convention. *Id.*

In its Notice the Postal Service maintains that certain portions of the Governors' Decision, the new rates, and related financial documentation should remain under seal. Notice at 3, Attachment 1. It also asserts that its filing demonstrates compliance with 39 U.S.C. 3633. *Id.* at 3.

### III. Notice of Filing

The Commission establishes Docket No. CP2012-3 for consideration of matters raised by the Postal Service's Notice.

The Commission appoints James F. Callow as Public Representative in this proceeding.

*Comments.* Interested persons may submit comments on whether the Postal Service's filings in the captioned docket are consistent with the policies of 39 U.S.C. 3632 or 3633, or 39 CFR part 3015. Comments are due no later than December 16, 2011. The public portions of these filings can be accessed via the Commission's Web site (<http://www.prc.gov>).

### IV. Ordering Paragraphs

*It is ordered:*

1. The Commission establishes Docket No. CP2012-3 for consideration of the matters raised in this docket.

2. Comments by interested persons in this proceeding are due no later than December 16, 2011.

3. Pursuant to 39 U.S.C. 505, James F. Callow is appointed to serve as officer of the Commission (Public Representative) to represent the interest 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.*

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## SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 29879; File No. 812-13952]

### Seasons Series Trust, et al.; Notice of Application

December 8, 2011.

**AGENCY:** Securities and Exchange Commission ("Commission").

**ACTION:** Notice of an application under section 6(c) of the Investment Company

Act of 1940 ("Act") for an exemption from rule 12d1-2(a) under the Act.

### **SUMMARY:** *Summary of Application:*

Applicants request an order to permit open-end management investment companies relying on rule 12d1-2 under the Act to invest in certain financial instruments.

**APPLICANTS:** Seasons Series Trust ("Seasons"), SunAmerica Series Trust ("Series Trust"), VALIC Company II ("VALIC II"), SunAmerica Series, Inc. ("SunAmerica Series" and collectively with Seasons, Series Trust and VALIC II, the "Companies"), SunAmerica Asset Management Corp. ("SAAMCo"), The Variable Annuity Life Insurance Company ("VALIC"), SunAmerica Capital Services, Inc. ("SACS") and American General Distributors, Inc. ("AGDI" and collectively with the Companies, SAAMCo, VALIC and SACS, the "Applicants").

**DATES:** *Filing Date:* The application was filed on August 31, 2011.

**HEARING OR NOTIFICATION OF HEARING:** An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on January 3, 2012 and should be accompanied by proof of service on applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

**ADDRESSES:** Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090; Applicants: Seasons and Series Trust, One SunAmerica Center, Los Angeles, CA 90067; VALIC II, VALIC, and AGDI, 2929 Allen Parkway, Houston, TX 77019; SunAmerica Series, SAAMCo, and SACS, Harborside Financial Center, 3200 Plaza 5, Jersey City, NJ 07311.

**FOR FURTHER INFORMATION CONTACT:** Jill Ehrlich, Senior Counsel, at (202) 551-6819, or Mary Kay Frech, Branch Chief, at (202) 551-6821 (Division of Investment Management, Office of Investment Company Regulation).

**SUPPLEMENTARY INFORMATION:** The following is a summary of the application. The complete application may be obtained via the Commission's Web site by searching for the file number, or an applicant using the

Company name box, at <http://www.sec.gov/search/search.htm> or by calling (202) 551-8090.

### Applicants' Representations

1. Each of Seasons and Series Trust is organized as a Massachusetts business trust, VALIC II is organized as a Delaware statutory trust, and SunAmerica Series is organized as a Maryland corporation. Each of the Companies is registered under the Act as an open-end management investment company. SAAMCo, a Delaware corporation, is an indirect, wholly owned subsidiary of American International Group, Inc. ("AIG"). VALIC, a Texas corporation, is an indirect, wholly owned subsidiary of AIG. Each of SAAMCo and VALIC is an investment adviser registered under the Investment Advisers Act of 1940 ("Advisers Act"). Either SAAMCo or VALIC currently serves as investment adviser to each existing Fund of Funds (as defined below). SACS, a Delaware corporation, is an indirect, wholly owned subsidiary of AIG. AGDI, a Delaware corporation, is also an indirect, wholly owned subsidiary of AIG. Each of SACS and AGDI is registered as a broker-dealer under the Securities Exchange Act of 1934 ("Exchange Act"), and SACS, and in certain cases AGDI, serve as the distributors for certain of the Funds of Funds.

2. Applicants request the exemption to the extent necessary to permit any existing or future series of the Companies or any other existing or future registered open-end management investment company or series thereof that: (i) Is advised by SAAMCo or VALIC or an entity controlling, controlled by, or under common control with SAAMCo or VALIC (any such adviser, SAAMCo or VALIC, an "Adviser");<sup>1</sup> (ii) invests in other registered open-end management investment companies ("Underlying Funds") in reliance on section 12(d)(1)(G) of the Act; and (iii) is also eligible to invest in securities (as defined in section 2(a)(36) of the Act) in reliance on rule 12d1-2 under the Act (each, a "Fund of Funds"), to also invest, to the extent consistent with its investment objectives, policies, strategies and limitations, in financial instruments which may not be securities within the meaning of section 2(a)(36) of the Act ("Other Investments").<sup>2</sup>

<sup>1</sup> Any other Adviser also will be registered under the Advisers Act.

<sup>2</sup> Every existing entity that currently intends to rely on the requested order is named as an Applicant. Any entity that relies on the order in the

Applicants also request that the order exempt any entity controlling, controlled by or under common control with SACS or AGDI that now or in the future acts as principal underwriter with respect to the transactions described in the application.

3. Consistent with its fiduciary obligations under the Act, each Fund of Funds' board of trustees/directors will review the advisory fees charged by the Fund of Funds' Adviser to ensure that they are based on services provided that are in addition to, rather than duplicative of, services provided pursuant to the advisory agreement of any investment company in which the Fund of Funds may invest.

### Applicants' Legal Analysis

1. Section 12(d)(1)(A) of the Act provides that no registered investment company ("acquiring company") may acquire securities of another investment company ("acquired company") if such securities represent more than 3% of the acquired company's outstanding voting stock or more than 5% of the acquiring company's total assets, or if such securities, together with the securities of other investment companies, represent more than 10% of the acquiring company's total assets. Section 12(d)(1)(B) of the Act provides that no registered open-end investment company may sell its securities to another investment company if the sale will cause the acquiring company to own more than 3% of the acquired company's voting stock, or cause more than 10% of the acquired company's voting stock to be owned by investment companies and companies controlled by them.

2. Section 12(d)(1)(G) of the Act provides, in part, that section 12(d)(1) will not apply to securities of an acquired company purchased by an acquiring company if: (i) The acquired company and acquiring company are part of the same group of investment companies; (ii) the acquiring company holds only securities of acquired companies that are part of the same group of investment companies, government securities, and short-term paper; (iii) the aggregate sales loads and distribution-related fees of the acquiring company and the acquired company are not excessive under rules adopted pursuant to section 22(b) or section 22(c) of the Act by a securities association registered under section 15A of the Exchange Act or by the Commission; and (iv) the acquired company has a policy that prohibits it

future will do so only in accordance with the terms and condition in the Application.

from acquiring securities of registered open-end investment companies or registered unit investment trusts in reliance on section 12(d)(1)(F) or 12(d)(1)(G) of the Act.

3. Rule 12d1-2 under the Act permits a registered open-end investment company or a registered unit investment trust that relies on section 12(d)(1)(G) of the Act to acquire, in addition to securities issued by another registered investment company in the same group of investment companies, government securities, and short-term paper: (i) Securities issued by an investment company that is not in the same group of investment companies, when the acquisition is in reliance on section 12(d)(1)(A) or 12(d)(1)(F) of the Act; (ii) securities (other than securities issued by an investment company); and (iii) securities issued by a money market fund, when the investment is in reliance on rule 12d1-1 under the Act. For the purposes of rule 12d1-2, "securities" means any security as defined in section 2(a)(36) of the Act.

4. Section 6(c) of the Act provides that the Commission may exempt any person, security, or transaction from any provision of the Act, or from any rule under the Act, if such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the Act.

5. Applicants state that the Funds of Funds will comply with rule 12d1-2 under the Act, but for the fact that the Funds of Funds may invest a portion of their assets in Other Investments. Applicants request an order under section 6(c) of the Act for an exemption from rule 12d1-2(a) to allow the Funds of Funds to invest in Other Investments while investing in Underlying Funds. Applicants assert that permitting the Funds of Funds to invest in Other Investments as described in the application would not raise any of the concerns that the requirements of section 12(d)(1) were designed to address.

### Applicants' Condition

Applicants agree that any order granting the requested relief will be subject to the following condition:

Applicants will comply with all provisions of rule 12d1-2 under the Act, except for paragraph (a)(2) to the extent that it restricts any Fund of Funds from investing in Other Investments as described in the application.

For the Commission, by the Division of Investment Management, under delegated authority.

**Kevin M. O'Neill,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-65906; File No. SR-NYSEArca-2011-92]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending the NYSE Arca Equities Schedule of Fees and Charges for Exchange Services

December 7, 2011.

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 December 1, 2011, NYSE Arca, Inc. (the "Exchange" or "NYSE Arca") 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 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 proposes to amend the NYSE Arca Equities Schedule of Fees and Charges for Exchange Services ("Fee Schedule"). The text of the proposed rule change is available at the Exchange, the Commission's Public Reference Room, and <http://www.nyse.com>.

#### 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 Fee Schedule, as described below, and implement the fee changes on December 1, 2011.

##### Auctions

##### Opening and Market Order Auctions—Securities \$1.00 and Greater

The Fee Schedule currently provides that a fee of \$0.0005 per share is charged for orders executed in the Opening or Market Order Auction.<sup>3</sup> The order types that may execute in the Opening or Market Order Auction are Limit Orders, Market Orders and Auction-Only Orders, which are Limit and Market Orders that are only to be executed within an Auction.<sup>4</sup> The Exchange currently charges the \$0.0005 fee for an Auction-Only Order but not a Limit or Market Order executed in the Opening or Market Order Auction. The Exchange proposes to amend the Fee Schedule to provide that during an Opening or Market Order Auction, the \$0.0005 per share fee will apply to executions of Auction-Only Orders and Market Orders. Limit Order executions in the Opening or Market Order Auction will continue to be free.<sup>5</sup>

##### Trading Halt Auction—Securities \$1.00 and Greater

The Exchange does not currently charge a fee for executions of orders in Trading Halt Auctions.<sup>6</sup> The Exchange proposes to amend the Fee Schedule to provide that during a Trading Halt Auction, a \$0.0005 per share fee will apply to the execution of Auction-Only

<sup>3</sup> This fee is currently referenced within the Tier 1, Tier 2 and Basic Rates sections of the Fee Schedule and will be amended, as discussed herein, in each instance. Auctions are described under NYSE Arca Equities Rule 7.35.

<sup>4</sup> See NYSE Arca Equities Rule 7.31(t). An Auction-Only order is executable during the next auction following entry of the order. If the Auction-Only Order is not executed in the auction, the balance is cancelled. Auction-Only orders are only available for auctions that take place on the Exchange and are not routed to other exchanges.

<sup>5</sup> The Exchange also proposes to remove the text from Footnote 2 of the Fee Schedule that provides that transaction fees do not apply to orders executed in the Opening Auction and Market Order Auction. This text inadvertently was not removed in 2010 when the Exchange implemented the \$0.0005 fee for orders executed in the Opening or Market Order Auction. See Securities Exchange Act Release No. 63056 (October 6, 2010), 75 FR 63233 (October 14, 2010) (SR-NYSEArca-2010-87).

<sup>6</sup> As noted above for Opening and Market Order Auctions, the order types that may execute in a Trading Halt Auction are Limit Orders, Market Orders and Auction-Only Orders.

Orders and Market Orders. Limit Order executions in the Trading Halt Auction will continue to be free.

##### Closing Auction—Securities \$1.00 and Greater

The Fee Schedule currently provides that a fee of \$0.0010 per share is charged for Market-On-Close ("MOC") and Limit-On-Close ("LOC")<sup>7</sup> Orders executed in the Closing Auction.<sup>8</sup> The Exchange also currently charges this \$0.0010 fee for Auction-Only Orders that are executed in the Closing Auction, which are effectively equivalent to a MOC Order or LOC Order, but does not charge for Market Orders or Limit Orders that are executed in the Closing Auction. The Exchange proposes to amend the Fee Schedule to provide that, in addition to MOC and LOC Orders, Auction-Only and Market Orders that are executed in the Closing Auction will be charged the \$0.0010 fee. Limit Order executions in the Closing Auction will continue to be free.

##### All Auctions—Securities Less Than \$1.00

The Fee Schedule does not currently provide for a fee for executions during auctions on the Exchange in securities priced below \$1.00.<sup>9</sup> The Exchange proposes to amend the Fee Schedule to reflect that a fee of 0.1% of the total dollar value of the order will be charged for round lot and odd lot executions of securities priced below \$1.00 that take place during an Opening, Market Order, Trading Halt or Closing Auction. The

<sup>7</sup> See NYSE Arca Equities Rule 7.31(dd) and (ee). MOC Orders are Market Orders and LOC Orders are Limit Orders that are to be executed only during the Closing Auction, except that the Exchange rejects MOC and LOC Orders in securities for which the Exchange is not the primary market or when the auction is suspended pursuant to NYSE Arca Equities Rule 7.35(g).

<sup>8</sup> The Closing Auction MOC and LOC fees are currently referenced within the Tier 1, Tier 2 and Basic Rates sections of the Fee Schedule and will be amended, as discussed herein, in each instance. However, the Exchange notes that when it implemented the Closing Auction MOC and LOC fee in October 2009, it stated that the fee would apply for all pricing levels, including tiered and basic rate pricing, but inadvertently did not reflect this particular fee for Tape A securities in the Basic Rates section of the Fee Schedule. See Securities Exchange Act Release No. 60834 (October 16, 2009), 74 FR 54612 (October 22, 2009) (SR-NYSEArca-2009-88). The Exchange notes that Closing Auctions in Tape A securities are rarely conducted on the Exchange, if at all, but instead are conducted on the primary market for the particular security. The proposed rule change will correct this inadvertent omission and ensure that the Fee Schedule will provide for the appropriate fee if a Closing Auction is conducted on the Exchange in a Tape A security.

<sup>9</sup> In limited circumstances the Exchange inadvertently has charged for executions during auctions on the Exchange in securities priced below \$1.00, but has since rebated ETP Holders for any such charges.

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

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