

exchanges (this number does not include CBOE's affiliate, C2 Options Exchange) for order flow.¹⁴

CBOE is constrained in pricing the Data by the availability to market participants of alternatives to purchasing the Data. CBOE must consider the extent to which market participants would choose one or more alternatives instead of purchasing the exchange's data. As noted above, SuperDerivatives, Markit, Prism, and Bloomberg are some of the market data vendors that offer market data products that would compete with the Service. Also, OCC makes similar data available at no cost, thus constraining CBOE's ability to price the Data. The vendor proprietary data and the OCC data are significant alternatives to the MDX Data. Further, other self-regulatory organizations as well as broker-dealers and alternative trading systems can potentially produce their own option valuation products and thus are sources of potential competition for MDX.

The number of market data vendors that sell valuations is relatively limited. The Exchange believes that MDX can be a low cost provider of valuations in this competitive environment.

For the reasons cited above, the Exchange believes the CBOE Customized Option Valuation Service offering, including the proposed fees, is equitable, reasonable and not unfairly discriminatory. In addition, the Exchange believes that no substantial countervailing basis exists to support a finding that the proposed terms and fees for the Service fails to meet the requirements of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)¹⁵ of the Act and paragraph (f) of Rule 19b-4¹⁶ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission

¹⁴ The Commission has previously made a finding that the options industry is subject to significant competitive forces. See e.g., Securities Exchange Act Release No. 59949 (May 20, 2009), 74 FR 25593 (May 28, 2009) (SR-ISE-2009-97) (order approving ISE's proposal to establish fees for a real-time depth of market data offering).

¹⁵ 15 U.S.C. 78s(b)(3)(A).

¹⁶ 17 CFR 240.19b-4(f).

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.

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-CBOE-2012-090 on the subject line.

Paper Comments

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549.

All submissions should refer to File Number SR-CBOE-2012-090. 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 Web site (<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 Web site 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 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CBOE-

2012-090 and should be submitted on or before October 23, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁷

Kevin M. O'Neill,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-67929; File No. SR-C2-2012-034]

Self-Regulatory Organizations; C2 Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to AIM and SAM

September 26, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on September 21, 2012, the C2 Options Exchange, Incorporated ("Exchange" or "C2") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange has designated the proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ 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 is proposing to make amendments to its rules pertaining to certain auction mechanisms. The text of the proposed rule change is available on the Exchange's Web site (<http://www.c2exchange.com/Legal/RuleFilings.aspx>), at the Exchange's Office of the Secretary and at the Commission.

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

¹⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6).

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

Under Rule 6.51, *Automated Improvement Mechanism* ("AIM"), a Trading Permit Holder that represents agency orders may electronically execute an order it represents as agency (an "Agency Order") against principal interest and/or against solicited orders provided it submits the Agency Order for execution into the AIM auction process. Under Rule 6.52, *Solicitation Auction Mechanism* ("SAM"), a Trading Permit Holder that represents agency orders may electronically execute an Agency Order against solicited orders provided it submits the Agency Order for electronic execution into the SAM auction process, under which both the Agency Order and the solicited order will be designated in the C2 System as all-or-none. The Exchange is proposing to make certain changes detailed below to these auction trading rules.

First, currently the AIM and SAM auctions each in relevant part provide that auction responses may be modified or canceled during the auction response period. The only way to modify a response would be for a Trading Permit Holder to cancel a prior response then submit a new response. As a result, the Exchange believes that the references to modifying responses in the rule text are unnecessary. Therefore, the Exchange is proposing to delete references to modifying responses in Rules 6.51(b)(1) and 6.52(b)(1), respectively.

Second, normally an auction would conclude after 1 second in the case of an AIM or SAM auction. In addition, respective AIM and SAM auction provisions set out various circumstances during which an auction would conclude early. Currently, the provisions are silent on what would happen in the event the option series is subject to a trading halt while an auction is ongoing. In such an event, the relevant auction would conclude early and the Agency Order would execute (or not execute) in accordance with the allocation provisions set out in the relevant rules. Therefore, the Exchange

is proposing to amend Rules 6.51(b)(2) and 6.52(b)(2), respectively, to indicate that an auction would conclude early in the event of a trading halt in the series on the Exchange and the Agency Order would execute (or not execute) in accordance with the allocation provisions set out in the relevant rules.⁵

(b) Statutory Basis⁶

The Exchange believes the proposed rule change is consistent with Section 6(b) of the Act⁷ in general and furthers the objectives of Section 6(b)(5) of the Act⁸ in particular in that it should promote just and equitable principles of trade, serve to remove impediments to and perfect the mechanism of a free and open market and a national market system, and protect investors and the public interest. In particular, the Exchange believes that the refinements being proposed in this rule change filing should serve to further those objectives by more clearly and fully describing certain aspects of the operation of the AIM and SAM auction processes.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b) of the Act⁹ in general and furthers the objectives of Section 6(b)(5) of the Act¹⁰ in particular in that it should promote just and equitable principles of trade, serve to remove impediments to and perfect the mechanism of a free and open market and a national market system, and protect investors and the public interest. In particular, the Exchange believes that the refinements being proposed in this rule change filing should serve to further those objectives by more clearly and fully describing certain aspects of the operation of the AIM and SAM auction processes.

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.

⁵ The Exchange notes that NASDAQ OMX PHLX LLC ("Phlx") has a similar provision within its electronic auction rules related to the early conclusion of an auction due to a trading halt. See Phlx Rule 1080(n).

⁶ The Commission notes that the Exchange has repeated this paragraph under Section I.A.2 (Statutory Basis).

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposal.

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 after the date of the filing, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹¹ and Rule 19b-4(f)(6)¹² thereunder.

At any time within 60 days of the filing of the 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.

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-C2-2012-034 on the subject line.

Paper Comments

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-C2-2012-034. 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 Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f)(6).

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 Web site 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; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-C2-2012-034 and should be submitted on or before October 23, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹³

Kevin M. O'Neill,
Deputy Secretary.

[FR Doc. 2012-24170 Filed 10-1-12; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-67931; File No. SR-FICC-2012-06]

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Order Approving Proposed Rule Change to Move the Time at Which the Mortgage-Backed Securities Division Runs Its Daily Morning Pass

September 26, 2012.

I. Introduction

On August 6, 2012, the Fixed Income Clearing Corporation ("FICC") filed with the Securities and Exchange Commission ("Commission") proposed rule change SR-FICC-2012-06 pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder.² The proposed rule change was published for comment in the **Federal Register** on August 20, 2012.³ The Commission received no

comment letters regarding the proposal. For the reasons discussed below, the Commission is granting approval of the proposed rule change.

II. Description

FICC proposes to move the time at which its Mortgage-Backed Securities Division ("MBS") runs its first processing pass of the day from 2:00 p.m. to 4:00 p.m. Eastern Standard Time. The proposed change does not require revisions to MBS's rules because those rules do not address the times of MBS's processing passes.

MBS currently runs its first processing pass of the day (historically referred to as the "AM Pass") at 2:00 p.m. Eastern Standard Time. MBS also executes an evening pass (referred to as the "PM Pass") at 8:00 p.m. Eastern Standard Time, which will remain unchanged. On days when MBS executes its to-be-announced netting cycle, this cycle immediately follows the completion of the first pass of the day. The proposed change to 4:00 p.m. for the first pass of the day will allow more trades to be included in the to-be-announced net, which will assist in reducing both the amount of fails in the market and the related operational risk. The proposed change is being made at the request of the Securities Industry and Financial Markets Association ("SIFMA") MBS Operations Committee. MBS advised members of the proposed change via an Important Notice dated August 1, 2012.

III. Discussion

Section 19(b)(2)(C) of the Act⁴ directs the Commission to approve a self-regulatory organization's proposed rule change if it determines that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such organization. Section 17A(b)(3)(F) of the Act⁵ requires, among other things, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of security transactions, and to assure the safeguarding of securities and funds that are in the custody or control of such clearing agency, or for which it is responsible.

The Commission concludes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to FICC. The proposed rule change will help to maximize the number of trades that are included in the to-be-announced netting process.

This, in turn, should reduce the number of trades that ultimately fail, and will temper the attendant operational risk, as well. The proposed change will therefore foster the prompt and accurate clearance and settlement of security transactions, and assure the safeguarding of securities and funds in FICC's custody or control, or for which FICC is responsible.

IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act, in particular with the requirements of Section 17A of the Act⁶ and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁷ that the proposed rule change (File No. SR-FICC-2012-06) be and hereby is APPROVED.⁸

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.⁹

Kevin M. O'Neill,
Deputy Secretary.

[FR Doc. 2012-24171 Filed 10-1-12; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Agency Information Collection Activities: Requests for Comments; Clearance of Renewed Approval of Information Collection: Flight Operational Quality Assurance (FOQA) Program

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice and request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, FAA invites public comments about our intention to request the Office of Management and Budget (OMB) approval to renew an information collection. Flight Operational Quality Assurance (FOQA) is a program for the routine collection and analysis of digital flight data from airline operations, including but not limited to digital flight data currently collected pursuant to existing regulatory provisions. The FAA requires certificate holders who

⁶ 15 U.S.C. 78q-1.

⁷ 15 U.S.C. 78s(b)(2).

⁸ 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).

⁹ 17 CFR 200.30-3(a)(12).

¹³ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 67653 (August 14, 2012), 77 FR 50198 (August 20, 2012).

⁴ 15 U.S.C. 78s(b)(2)(C).

⁵ 15 U.S.C. 78q-1(b)(3)(F).