

FOR FURTHER INFORMATION CONTACT:

Elizabeth A. Reed, 202-268-3179.

SUPPLEMENTARY INFORMATION: The United States Postal Service® hereby gives notice that, pursuant to 39 U.S.C. 3642 and 3632(b)(3), on December 10, 2015, it filed with the Postal Regulatory Commission a *Request of the United States Postal Service to Add Priority Mail Express Contract 30 to Competitive Product List*. Documents are available at www.prc.gov, Docket Nos. MC2016-32, CP2016-38.

Stanley F. Mires,

Attorney, Federal Compliance.

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POSTAL SERVICE**Product Change—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: *Effective date:* December 18, 2015.

FOR FURTHER INFORMATION CONTACT:

Elizabeth A. Reed, 202-268-3179.

SUPPLEMENTARY INFORMATION: The United States Postal Service® hereby gives notice that, pursuant to 39 U.S.C. 3642 and 3632(b)(3), on December 11, 2015, it filed with the Postal Regulatory Commission a *Request of the United States Postal Service to Add Priority Mail Contract 164 to Competitive Product List*. Documents are available at www.prc.gov, Docket Nos. MC2016-36, CP2016-42.

Stanley F. Mires,

Attorney, Federal Compliance.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-76639; File No. SR-FINRA-2015-033]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Order Approving a Proposed Rule Change To Amend FINRA Rule 0150 To Apply FINRA Rule 2121 and its Supplementary Material .01 and .02 to Transactions in Exempted Securities That Are Government Securities

December 14, 2015.

I. Introduction

On September 17, 2015, 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” or “Exchange Act”) ¹ and Rule 19b-4 thereunder, ² a proposed rule change to FINRA Rule 0150, Application of Rules to Exempted Securities Except Municipal Securities, so that FINRA Rule 2121 and its Supplementary Material .01 and .02, which govern mark-ups and commissions, will apply to transactions in exempted securities that are government securities. The proposed amendment was published for comment in the **Federal Register** on October 6, 2015. ³ On November 19, 2015, FINRA granted the Commission an extension of time, until January 4, 2016 to act on the proposal. ⁴ No comments were received in response to the proposal. This order approves the rule change as proposed.

II. Description of the Proposed Rule Change**A. Background**

As stated in the Notice, FINRA is proposing to amend FINRA Rule 0150, which governs the application of FINRA rules and the rules of the National Association of Securities Dealers (“NASD”) ⁵ that apply to transactions

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Notice of Filing of a Proposed Rule Change to Amend FINRA Rule 0150 to Apply FINRA Rule 2121 and its Supplementary Material .01 and .02 to Transactions in Exempted Securities That Are Government Securities; Exchange Act Release No. 76059 (September 30, 2015), 80 FR 60416 (October 6, 2015) (“Notice”).

⁴ See Letter from Andrew Madar, Associate General Counsel, FINRA Regulatory Policy and Oversight, to Katherine England, Assistant Director, Division of Trading and Markets, Securities and Exchange Commission, dated November 19, 2015.

⁵ The current FINRA rulebook consists of: (1) FINRA Rules; (2) NASD Rules; and (3) rules incorporated from NYSE (“Incorporated NYSE

in, and business activities relating to, exempted securities, except municipal securities, conducted by members and associated persons. ⁶ Current FINRA Rule 0150(c) specifically enumerates these provisions and does not include reference to FINRA Rule 2121, Supplementary Material .01, and Supplementary Material .02, which govern mark-ups and commissions (“mark-up rule”). ⁷ The proposed amendment would incorporate the mark-up rule into FINRA Rule 0150 and extend its application to transactions in, and business activities relating to, exempted securities that are government securities, as defined in Section 3(a)(42) of the Exchange Act. ⁸

In the Notice, FINRA described the historical reasons for not applying certain NASD rules, including the mark-up rule, to exempted securities (except municipal securities). Prior to 1993, there were statutory limitations on the NASD’s ability to apply sales practice rules, including the mark-up rules, to transactions in exempted securities. The Government Securities Act Amendments of 1993 (“GSAA”) ⁹ eliminated the limitations on the authority of registered securities associations over transactions by a registered broker or dealer in an exempted security. ¹⁰ Following the

Rules”) (together, the NASD Rules and Incorporated NYSE Rules are referred to as the “Transitional Rulebook”). While the NASD Rules generally apply to all FINRA members, the Incorporated NYSE Rules apply only to those members of FINRA that are also members of the NYSE (“Dual Members”). The FINRA Rules apply to all FINRA members, unless such rules have a more limited application by their terms. For more information about the rulebook consolidation process, see FINRA Information Notice, March 12, 2008 (Rulebook Consolidation Process), available at <https://www.finra.org/sites/default/files/NoticeDocument/p038121.pdf>.

⁶ The terms exempted securities, municipal securities, and government securities as used in this order are defined in Sections 3(a)(12), 3(a)(29), and 3(a)(42) of the Act, respectively.

⁷ NASD Rule 2440, IM-2440-1, and IM-2440-2 were recently moved to the FINRA rules without any substantive changes, becoming FINRA Rule 2121, Supplementary Material .01, and Supplementary Material .02, respectively. See Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Adopt FINRA Rule 2121 (Fair Prices and Commissions), Supplementary Material .01 (Mark-Up Policy) and Supplementary Material .02 (Additional Mark-Up Policy For Transactions in Debt Securities, Except Municipal Securities) in the Consolidated FINRA Rulebook; Exchange Act Release No. 72208 (May 21, 2014), 79 FR 30675 (May 28, 2014).

⁸ This includes U.S. Treasury securities, as defined in FINRA Rule 6710(p). See Notice at 60417, note 12.

⁹ Government Securities Act Amendments of 1993, Pub. L. 103-202, § 106(b)(1), 107 Stat. 2344 (1993).

¹⁰ Specifically Section 15A(f) of the Act imposed limitations on the authority of registered securities associations over transactions by a registered broker