

POSTAL SERVICE**Product Change—First-Class Package Service 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 30, 2016.

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 22, 2016, it filed with the Postal Regulatory Commission a *Request of the United States Postal Service to Add First-Class Package Service Contract 72 to Competitive Product List*. Documents are available at www.prc.gov, Docket Nos. MC2017-70, CP2017-98.

Stanley F. Mires,
Attorney, Federal Compliance.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-79690; File No. SR-BX-2016-073]

Self-Regulatory Organizations; NASDAQ BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Exchange's Transaction Fees at Rule 7019 (Market Data Distributor Fees)

December 23, 2016.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on December 20, 2016, NASDAQ BX, Inc. ("BX" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "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.

¹ 15 U.S.C. 78s(b)(1).

² 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 the Exchange's transaction fees at Rule 7019 (Market Data Distributor Fees) to (i) increase the Monthly Internal Distributor Fee from \$500 to \$750 for BX TotalView, and (ii) increase the Monthly External Distributor Fee from \$1,250 to \$1,500 for BX TotalView, as described further below.

The text of the proposed rule change is available on the Exchange's Web site at <http://nasdaqbx.cchwallstreet.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 Exchange 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 Exchange 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**

The purpose of the proposed rule change is to increase the Monthly Internal Distributor Fee from \$500 to \$750 for BX TotalView, and to increase the Monthly External Distributor Fee from \$1,250 to \$1,500 for BX TotalView.

TotalView is a proprietary feed that provides subscribers with full depth-of-book data on BX for Nasdaq-listed securities and securities not listed on Nasdaq. TotalView allows customers to view all displayed quotes and orders attributed to specific market participants at every price level on BX, access total displayed anonymous interest at every price level on BX, and to see the total size of all displayed quotes and orders on BX. TotalView also offers trade data for BX executions that occur on BX.

Customers may access TotalView as either a Distributor, or through Direct Access. Rule 7019(b) defines a "distributor" of Exchange data as "any entity that receives a feed or data file of Exchange data directly from the Exchange or indirectly through another

entity and then distributes it either internally (within that entity) or externally (outside that entity)." ³ Rule 7019(c) defines "Direct Access" as "a telecommunications interface with the Exchange for receiving Exchange data, or receiving an Exchange data feed within the Exchange co-location facility, or receiving Exchange data via an Extranet access provider or other such provider that is fee-liable under 7025." ⁴

The Exchange proposed the TotalView fees, among others, in 2009, following its acquisition by Nasdaq, Inc. and the resumption of its cash equities trading business.⁵ The Exchange proposed that Distributors of TotalView would pay a \$500 monthly fee to distribute the data feed internally (*i.e.*, to employees) and a \$1,250 monthly fee to distribute to external customers.⁶

In support of these fees, the Exchange noted that the TotalView fee structure is similar to the structure for the TotalView data product offered by The NASDAQ Stock Market LLC ("Nasdaq"), but that the overall level of fees is lower than for Nasdaq TotalView. The lower fee levels for BX TotalView reflected the start-up nature of the Exchange's new equities trading platform, and was designed help to attract order flow to the Exchange, since, at its inception, the Exchange had zero market share and therefore set its fees, including data fees, with a view to attracting order flow. Finally, the Exchange noted that the alternatives that exist for market participants to determine market depth—such as other depth of book products that may be associated with markets with more liquidity, or order routing strategies designed to ascertain market depth—provided incentives for the Exchange to ensure that its fees for BX TotalView were set reasonably.⁷

With this proposal, BX proposes to increase the Monthly Internal Distributor Fee from \$500 to \$750 for BX TotalView, and increase the Monthly External Distributor Fee from

³ See Rule 7019(b). The Rule also provides that all distributors shall execute an Exchange distributor agreement, and states that the Exchange itself is a vendor of its data feed(s) and has executed an Exchange distributor agreement and pays the distributor charge. *Id.*

⁴ See Rule 7019(c).

⁵ See Securities Exchange Act Release No. 59307 (January 28, 2009), 74 FR 6069 (February 4, 2009) (Notice of filing of SR-BX-2009-005). BX proposed, for the first year of BX's operation, to make TotalView available free of charge. *Id.*

⁶ *Id.* The Exchange also proposed that Distributors pay a \$1,000 monthly fee to receive the data directly from the Exchange, since the Exchange incurs costs to support the connection to each direct Distributor; indirect Distributors (*i.e.*, those receiving data from a direct Distributor) would not pay this charge.

⁷ *Id.*