

Filing Online system at <http://www.prc.gov>. Those who cannot submit comments electronically should contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section by telephone for advice on filing alternatives.

**FOR FURTHER INFORMATION CONTACT:** David A. Trissell, General Counsel, at 202-789-6820.

**SUPPLEMENTARY INFORMATION:**

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- I. Introduction
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**I. Introduction**

The Commission gives notice that the Postal Service filed request(s) for the Commission to consider matters related to negotiated service agreement(s). The request(s) may propose the addition or removal of a negotiated service agreement from the market dominant or the competitive product list, or the modification of an existing product currently appearing on the market dominant or the competitive product list.

Section II identifies the docket number(s) associated with each Postal Service request, the title of each Postal Service request, the request's acceptance date, and the authority cited by the Postal Service for each request. For each request, the Commission appoints an officer of the Commission to represent the interests of the general public in the proceeding, pursuant to 39 U.S.C. 505 (Public Representative). Section II also establishes comment deadline(s) pertaining to each request.

The public portions of the Postal Service's request(s) can be accessed via the Commission's Web site (<http://www.prc.gov>). Non-public portions of the Postal Service's request(s), if any, can be accessed through compliance with the requirements of 39 CFR 3007.40.

The Commission invites comments on whether the Postal Service's request(s) in the captioned docket(s) are consistent with the policies of title 39. For request(s) that the Postal Service states concern market dominant product(s), applicable statutory and regulatory requirements include 39 U.S.C. 3622, 39 U.S.C. 3642, 39 CFR part 3010, and 39 CFR part 3020, subpart B. For request(s) that the Postal Service states concern competitive product(s), applicable statutory and regulatory requirements include 39 U.S.C. 3632, 39 U.S.C. 3633, 39 U.S.C. 3642, 39 CFR part 3015, and 39 CFR part 3020, subpart B. Comment deadline(s) for each request appear in section II.

**II. Docketed Proceeding(s)**

1. *Docket No(s):* R2017-4; *Filing Title:* Notice of United States Postal Service of Type 2 Rate Adjustment, and Notice of Filing Functionally Equivalent Agreement; *Filing Acceptance Date:* February 9, 2017; *Filing Authority:* 39 CFR 3010.40 *et seq.*; *Public Representative:* Natalie R. Ward; *Comments Due:* February 21, 2017.

This notice will be published in the **Federal Register**.

**Stacy L. Ruble,**  
*Secretary.*

[FR Doc. 2017-03051 Filed 2-14-17; 8:45 am]

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**POSTAL REGULATORY COMMISSION**

**[Docket Nos. CP2017-121; CP2017-122; CP2017-123]**

**New Postal Products**

**AGENCY:** Postal Regulatory Commission.  
**ACTION:** Notice.

**SUMMARY:** The Commission is noticing recent Postal Service filings for the Commission's consideration concerning negotiated service agreements. This notice informs the public of the filing, invites public comment, and takes other administrative steps.

**DATES:** *Comments are due:* February 16, 2017.

**ADDRESSES:** Submit comments electronically via the Commission's Filing Online system at <http://www.prc.gov>. Those who cannot submit comments electronically should contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section by telephone for advice on filing alternatives.

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**II. Docketed Proceeding(s)**

1. *Docket No(s):* CP2017-121; *Filing Title:* Notice of United States Postal Service of Filing a Functionally Equivalent Global Expedited Package Services 3 Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal; *Filing Acceptance Date:* February 8, 2017; *Filing Authority:* 39 CFR 3015.5; *Public Representative:* Gregory Stanton; *Comments Due:* February 16, 2017.

2. *Docket No(s):* CP2017-122; *Filing Title:* Notice of United States Postal Service of Filing a Functionally Equivalent Global Expedited Package Services 3 Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal; *Filing Acceptance Date:* February 8, 2017; *Filing Authority:* 39 CFR 3015.5; *Public Representative:* Kenneth R. Moeller; *Comments Due:* February 16, 2017.

3. *Docket No(s):* CP2017-123; *Filing Title:* Notice of United States Postal Service of Filing a Functionally Equivalent Global Expedited Package

Services 3 Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal; *Filing Acceptance Date*: February 8, 2017; *Filing Authority*: 39 CFR 3015.5; *Public Representative*: Kenneth R. Moeller; *Comments Due*: February 16, 2017.

This notice will be published in the **Federal Register**.

**Ruth Ann Abrams**,  
*Secretary*.

[FR Doc. 2017-02978 Filed 2-14-17; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-79995; File Nos. SR-ISEGemini-2016-16; SR-ISEMercury-2016-22]

### Self-Regulatory Organizations; ISE Gemini, LLC; ISE Mercury, LLC; Order Granting Approval of Proposed Rule Changes, as Modified by Amendment Nos. 1 and 2 Thereto, To Permit Nasdaq Execution Services, LLC To Become an Affiliated Member of Each Exchange To Perform Certain Routing and Other Functions

February 9, 2017.

#### I. Introduction

On December 9, 2016, ISE Gemini, LLC (“ISE Gemini”) and ISE Mercury, LLC (“ISE Mercury,” and each of ISE Gemini and ISE Mercury an “Exchange”) filed with the Securities and Exchange Commission (“Commission”), 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> proposed rule changes related to the routing of orders, cancellation of orders, and handling of error positions. The proposed rule changes would also permit Nasdaq Execution Services, LLC (“NES”) to become an affiliated Member <sup>3</sup> of each Exchange to perform certain routing and other functions. On December 20, 2016, each Exchange filed Amendment No. 1 to its respective proposed rule change, which amended and replaced each original filing in its entirety. Also on December 20, 2016, each Exchange filed Amendment No. 2 to its respective proposed rule change. <sup>4</sup> The proposed

rule changes, each as modified by Amendment Nos. 1 and 2, were published for comment in the **Federal Register** on December 29, 2016. <sup>5</sup> The Commission received no comments on the proposed rule changes. This order grants approval of the proposed rule changes, each as modified by the respective Amendment Nos. 1 and 2.

#### II. Background

On June 21, 2016, the Commission approved a proposed rule change relating to a corporate transaction in which Nasdaq, Inc. would become the ultimate parent of International Securities Exchange, LLC (“ISE”), ISE Gemini, and ISE Mercury (collectively, the “ISE Exchanges”). <sup>6</sup> The transaction closed on June 30, 2016. <sup>7</sup> Nasdaq, Inc. is the ultimate parent of NASDAQ BX, Inc. (“BX”), The NASDAQ Stock Market LLC (“Nasdaq”), and NASDAQ PHLX LLC (“Phlx” and, together with Nasdaq and BX, the “Nasdaq Exchanges”). <sup>8</sup> Nasdaq, Inc. is also the ultimate parent of NES, <sup>9</sup> a broker-dealer that is a member, and affiliate, of each of the Nasdaq Exchanges. <sup>10</sup> As a result of this transaction, the ISE Exchanges and the Nasdaq Exchanges became affiliates, <sup>11</sup>

conditions that would apply. Specifically, each Exchange modified the third condition to specify that the report that FINRA will provide to the Exchange’s chief regulatory officer on a quarterly basis will quantify all alerts, of which the Exchange or FINRA (rather than solely FINRA) are aware, that identify NES as a participant that has potentially violated Commission or Exchange rules.

<sup>5</sup> See Securities Exchange Act Release Nos. 79664 (December 22, 2016), 81 FR 96136 (“ISE Gemini Notice”); 79663 (December 22, 2016), 81 FR 96089 (“ISE Mercury Notice”).

<sup>6</sup> See Securities Exchange Act Release No. 78119 (June 21, 2016), 81 FR 41611 (June 27, 2016) (SR-ISE-2016-11; SR-ISE Gemini-2016-05; SR-ISE Mercury-2016-10) (order approving Nasdaq, Inc.’s acquisition of ISE, ISE Gemini, and ISE Mercury) (“Nasdaq Acquisition Order”).

<sup>7</sup> See <http://ir.nasdaq.com/releasedetail.cfm?releaseid=977785> (Nasdaq press release announcing completion of its acquisition).

<sup>8</sup> See Nasdaq Acquisition Order, *supra* note 6, at 41611.

<sup>9</sup> See Securities Exchange Act Release No. 69233 (March 25, 2013), 78 FR 19352 (March 29, 2013) (SR-NASDAQ-2013-028) (order approving a proposed rule change to make permanent a pilot program to permit Nasdaq to accept inbound orders routed by NES from the BX Equities market and PSX) at 19352 n.6 and accompanying text (“BX Equity Routing Approval”). See also ISE Gemini Notice, *supra* note 5, at 96137; ISE Mercury Notice, *supra* note 5, at 96089.

<sup>10</sup> See Securities Exchange Act Release Nos. 79661 (December 22, 2016), 81 FR 96100 (December 29, 2016) (SR-BX-2016-068) at 96100; 79662 (December 22, 2016), 81 FR 96087 (December 29, 2016) (SR-NASDAQ-2016-169) at 96087; and 79660 (December 22, 2016), 81 FR 96060 (December 29, 2016) (SR-Phlx-2016-120) at 96061. See also ISE Gemini Notice, *supra* note 5, at 96137; ISE Mercury Notice, *supra* note 5, at 96089.

<sup>11</sup> See Nasdaq Acquisition Order, *supra* note 6, at 41611 n.8. The Nasdaq Exchanges, together with ISE, ISE Gemini (with respect to ISE Mercury), and

and NES became an affiliate of the ISE Exchanges. <sup>12</sup>

As described in more detail below, ISE Gemini and ISE Mercury have now proposed rule changes (1) to permit each respective Exchange to receive inbound orders in options routed through NES from the Affiliated Exchanges, pursuant to certain limitations and conditions; and (2) to permit NES to become a Member of each Exchange to perform certain routing and other functions.

ISE Gemini and ISE Mercury’s respective rulebooks incorporate by reference Chapter 19 of ISE’s rulebook, which contains rules relating to the routing of orders, cancellation of orders, and handling of certain error positions. <sup>13</sup> ISE submitted a related proposed rule change to: (1) Route outbound orders in options listed and open for trading on ISE’s system to away markets through NES, either directly or through a third-party routing broker-dealer; (2) adopt rules regarding the cancellation of orders and the handling of certain error positions, including maintenance by NES of an error account; and (3) make related conforming changes. <sup>14</sup> These ISE rules, which the Commission is also approving today, concerning the outbound routing of orders, cancellation of orders, and handling of error accounts, will be incorporated by reference into ISE Gemini and ISE Mercury’s rules, <sup>15</sup> and are similar to

ISE Mercury (with respect to ISE Gemini), are referred to herein as the “Affiliated Exchanges.”

<sup>12</sup> See generally ISE Gemini Notice, *supra* note 5, at 96137 (discussing that NES is a broker-dealer owned and operated by Nasdaq, Inc. and affiliated with ISE Gemini and the Affiliated Exchanges); ISE Mercury Notice, *supra* note 5, at 96089 (discussing that NES is a broker-dealer owned and operated by Nasdaq, Inc. and affiliated with ISE Mercury and the Affiliated Exchanges).

<sup>13</sup> See ISE Gemini Rules, Chapter 19 (incorporating by reference rules in ISE Rules, Chapter 19); ISE Mercury Rules, Chapter 19 (incorporating by reference rules in ISE Rules, Chapter 19).

<sup>14</sup> See Securities Exchange Act Release No. 79665 (December 22, 2016), 81 FR 96092 (December 29, 2016) (“ISE Notice”) (notice of filing that proposes, among other things, to amend ISE Rules 1903, 1904, and 1905, and make conforming changes to ISE Rule 1901). The Commission is also today approving this proposed rule change. See Securities Exchange Act Release No. 79994 (February 9, 2017) (“ISE Exchange Routing Order”).

<sup>15</sup> Consistent with the proposals by ISE Gemini and ISE Mercury described herein, the ISE rules that the Commission is approving today also (1) permit ISE to receive inbound orders in options routed through NES from the Affiliated Exchanges, pursuant to certain limitations and conditions; and (2) permit NES to become a Member of ISE to perform certain routing and other functions. See ISE Notice, *supra* note 14, at 96093-94; ISE Exchange Routing Order, *supra* note 14.

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

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

<sup>3</sup> A “Member” is an organization that has been approved to exercise certain trading rights on the Exchange. See ISE Gemini Rule 100(a)(23); ISE Mercury Rule 100(a)(23).

<sup>4</sup> Each Amendment No. 2 amended the description of one of the inbound routing