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Rules and Regulations

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This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

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DEPARTMENT OF ENERGY

10 CFR Parts 207, 218, 429, 431, 490, 501, 601, 820, 824, 851, 1013, 1017, and 1050

Inflation Adjustment of Civil Monetary Penalties

AGENCY: Office of the General Counsel, U.S. Department of Energy.

ACTION: Final rule.

SUMMARY: The Department of Energy (''DOE'') publishes this final rule to adjust DOE's civil monetary penalties (''CMPs'') for inflation as mandated by the Federal Civil Penalties Inflation Adjustment Act of 1990, as further amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (collectively referred to herein as ''the Act''). This rule adjusts CMPs within the jurisdiction of DOE to the maximum amount required by the Act.

DATES: This rule is effective January 11, 2018.

FOR FURTHER INFORMATION CONTACT: Preeti Chaudhari, U.S. Department of Energy, Office of the General Counsel, GC–33, 1000 Independence Avenue SW, Washington, DC 20585, (202) 586–8078.

SUPPLEMENTARY INFORMATION:

I. Background
II. Method of Calculation
III. Summary of the Final Rule
IV. Final Rulemaking
V. Regulatory Review

I. Background

In order to improve the effectiveness of CMPs and to maintain their deterrent effect, the Federal Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. 2461 note (''the Inflation Adjustment Act''), as further amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (Pub. L. 114–74) (''the 2015 Act''), requires Federal agencies to adjust each CMP provided by law within the jurisdiction of the agency. The 2015 Act requires agencies to adjust the level of CMPs with an initial ''catch-up'' adjustment through an interim final rulemaking and to make subsequent annual adjustments for inflation, notwithstanding 5 U.S.C. 553. DOE's initial catch-up adjustment interim final rule was published June 28, 2016 (81 FR 41790) and adopted as final without amendment on December 30, 2016 (81 FR 96349). The 2015 Act also provides that any increase in a CMP shall apply only to CMPs, including those whose associated violation predated such increase, which are assessed after the date the increase takes effect.

In accordance with the 2015 Act, the Office of Management and Budget (OMB) must issue annually guidance on adjustments to civil monetary penalties. This final rule to adjust civil monetary penalties for 2018 is issued in accordance with applicable law and OMB's guidance memorandum on implementation of the 2018 annual adjustment.[1]

II. Method of Calculation

The method of calculating CMP adjustments applied in this final rule is required by the 2015 Act. Under the 2015 Act, annual inflation adjustments subsequent to the initial catch-up adjustment are to be based on the percent change between the October Consumer Price Index for all Urban Consumers (CPI–U) preceding the date of the adjustment, and the prior year's October CPI–U. Pursuant to the aforementioned OMB guidance memorandum, the adjustment multiplier for 2018 is 1.02041. In order to complete the 2018 annual adjustment, each CMP is multiplied by the 2018 adjustment multiplier. Under the 2015 Act, any increase in CMP must be rounded to the nearest multiple of $1.

III. Summary of the Final Rule

The following list summarizes DOE authorities containing CMPs, and the penalties before and after adjustment.

DOE authority containing civil monetary penalty	Before adjustment	After adjustment
10 CFR 207.7	$10,1641	$10,371.
10 CFR 218.42	22,015	22,464.
10 CFR 429.120	440	449.
10 CFR 431.382	440	449.
10 CFR 490.604	8,523	8,697.
10 CFR 501.181	—90,063	—91,901
	8/mcf	8/mcf.
	—36/bbl	37/bbl.
10 CFR 601.400 and App A	—minimum 19,246	—minimum 19,639.
	—maximum 192,459	—maximum 196,387.
10 CFR 820.81	201,106	205,211.
10 CFR 824.1 and App A	143,715	146,648.
10 CFR 824.4 and App A	143,715	146,648.
10 CFR 851.5 and App B	93,332	95,237.
10 CFR 1013.3	10,957	11,181.
10 CFR 1017.29	258,811	264,093.
10 CFR 1050.303	19,621	20,021.
50 U.S.C. 2731[2]	8,797	8,977.

[1] OMB's annual guidance memorandum was issued on December 15, 2017, providing the 2018 adjustment multiplier and addressing how to apply it.

IV. Final Rulemaking

The 2015 Act requires that annual adjustments for inflation subsequent to the initial ''catch-up'' adjustment be made notwithstanding 5 U.S.C. 553.

V. Regulatory Review

A. Executive Order 12866

This rule has been determined not to be a significant regulatory action under Executive Order 12866, ''Regulatory Planning and Review,'' 58 FR 51735 (October 4, 1993). Accordingly, this action was not subject to review under that Executive Order by the Office of Information and Regulatory Affairs of the Office of Management and Budget.

B. National Environmental Policy Act

DOE has determined that this final rule is covered under the Categorical Exclusion found in DOE's National Environmental Policy Act regulations at paragraph A5 of appendix A to subpart D, 10 CFR part 1021, which applies to a rulemaking that amends an existing rule or regulation and that does not change the environmental effect of the rule or regulation being amended. Accordingly, neither an environmental assessment nor an environmental impact statement is required.

C. Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601 *et seq.)* requires preparation of an initial regulatory flexibility analysis for any rule that by law must be proposed for public comment. As discussed above, the 2015 Act requires that annual inflation adjustments subsequent to the initial catch-up adjustment be made notwithstanding 5 U.S.C. 553. Because a notice of proposed rulemaking is not required for this action pursuant to 5 U.S.C. 553, or any other law, no regulatory flexibility analysis has been prepared for this final rule.

D. Paperwork Reduction Act

This final rule imposes no new information collection requirements subject to the Paperwork Reduction Act.

E. Unfunded Mandates Reform Act of 1995

The Unfunded Mandates Reform Act of 1995 (Pub. L. 104–4) generally requires Federal agencies to examine closely the impacts of regulatory actions on State, local, and tribal governments. Section 201 excepts agencies from assessing effects on State, local or tribal governments or the private sector of rules that incorporate requirements specifically set forth in law. Because this rule incorporates requirements specifically set forth in 28 U.S.C. 2461 note, DOE is not required to assess its regulatory effects under section 201. Unfunded Mandates Reform Act sections 202 and 205 do not apply to this action because they apply only to rules for which a general notice of proposed rulemaking is published. Nevertheless, DOE has determined that this regulatory action does not impose a Federal mandate on State, local, or tribal governments or on the public sector.

F. Treasury and General Government Appropriations Act, 1999

Section 654 of the Treasury and General Government Appropriations Act, 1999 (Pub. L. 105–277) requires Federal agencies to issue a Family Policymaking Assessment for any proposed rule that may affect family well-being. This rule would not have any impact on the autonomy or integrity of the family as an institution. Accordingly, DOE has concluded that it is not necessary to prepare a Family Policymaking Assessment.

G. Executive Order 13132

Executive Order 13132, ''Federalism,'' 64 FR 43255 (August 4, 1999) imposes certain requirements on agencies formulating and implementing policies or regulations that preempt State law or that have federalism implications. Agencies are required to examine the constitutional and statutory authority supporting any action that would limit the policymaking discretion of the States and carefully assess the necessity for such actions. DOE has examined this rule and has determined that it would not preempt State law and would not have a substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. No further action is required by Executive Order 13132.

H. Executive Order 12988

With respect to the review of existing regulations and the promulgation of new regulations, section 3(a) of Executive Order 12988, ''Civil Justice Reform,'' 61 FR 4729 (February 7, 1996), imposes on Executive agencies the general duty to adhere to the following requirements: (1) Eliminate drafting errors and ambiguity; (2) write regulations to minimize litigation; and (3) provide a clear legal standard for affected conduct rather than a general standard and promote simplification and burden reduction. With regard to the review required by section 3(a), section 3(b) of Executive Order 12988 specifically requires that Executive agencies make every reasonable effort to ensure that the regulation: (1) Clearly specifies the preemptive effect, if any; (2) clearly specifies any effect on existing Federal law or regulation; (3) provides a clear legal standard for affected conduct while promoting simplification and burden reduction; (4) specifies the retroactive effect, if any; (5) adequately defines key terms; and (6) addresses other important issues affecting clarity and general draftsmanship under any guidelines issued by the Attorney General. Section 3(c) of Executive Order 12988 requires Executive agencies to review regulations in light of applicable standards in section 3(a) and section 3(b) to determine whether they are met or it is unreasonable to meet one or more of them. DOE has completed the required review and determined that, to the extent permitted by law, this rule meets the relevant standards of Executive Order 12988.

I. Treasury and General Government Appropriations Act, 2001

The Treasury and General Government Appropriations Act, 2001 (44 U.S.C. 3516 note) provides for agencies to review most disseminations of information to the public under guidelines established by each agency pursuant to general guidelines issued by OMB. OMB's guidelines were published at 67 FR 8452 (February 22, 2002), and DOE's guidelines were published at 67 FR 62446 (October 7, 2002). DOE has reviewed this rule under the OMB and DOE guidelines and has concluded that it is consistent with applicable policies in those guidelines.

J. Executive Order 13211

Executive Order 13211, ''Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use,'' 66 FR 28355 (May 22, 2001) requires Federal agencies to prepare and submit to OMB, a Statement of Energy Effects for any proposed significant energy action. A ''significant energy action'' is defined as any action by an agency that promulgated or is expected to lead to promulgation of a final rule, and that: (1) Is a significant regulatory action under Executive Order 12866, or any successor order; and (2) is likely to have a significant adverse effect on the supply, distribution, or use of energy, or (3) is designated by the Administrator of OIRA as a significant energy action. For any proposed significant energy action, the agency must give a detailed statement of any adverse effects on

[2] Implemented by 10 CFR 820.81, 10 CFR 851.5, and appendix B to 10 CFR part 851.

energy supply, distribution, or use should the proposal be implemented, and of reasonable alternatives to the action and their expected benefits on energy supply, distribution, and use. This regulatory action would not have a significant adverse effect on the supply, distribution, or use of energy and is therefore not a significant energy action. Accordingly, DOE has not prepared a Statement of Energy Effects.

K. Congressional Notification

As required by 5 U.S.C. 801, DOE will submit to Congress a report regarding the issuance of this final rule prior to the effective date set forth at the outset of this rulemaking. The report will state that it has been determined that the rule is not a ''major rule'' as defined by 5 U.S.C. 801(2).

L. Approval of the Office of the Secretary

The Secretary of Energy has approved publication of this final rule.

List of Subjects

10 CFR Part 207

Administrative practice and procedure, Energy, Penalties.

10 CFR Part 218

Administrative practice and procedure, Penalties, Petroleum allocation.

10 CFR Part 429

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10 CFR Part 431

Administrative practices and procedure, Confidential business information, Energy conservation, Incorporation by reference, Reporting and recordkeeping requirements.

10 CFR Part 490

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10 CFR Part 501

Administrative practice and procedure, Electric power plants, Energy conservation, Natural gas, Petroleum.

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10 CFR Part 820

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10 CFR Part 851

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10 CFR Part 1017

Administrative practice and procedure, Government contracts, National Defense, Nuclear Energy, Penalties, Security measures.

10 CFR Part 1050

Decorations, medals, awards, Foreign relations, Government employees, Government property, Reporting and recordkeeping requirements.

Issued in Washington, DC, on January 4, 2018.

John T. Lucas,

Acting General Counsel.

For the reasons set forth in the preamble, DOE amends chapters II, III, and X of title 10 of the Code of Federal Regulations as set forth below.

PART 207—COLLECTION OF INFORMATION

■ 1. The authority citation for part 207 continues to read as follows:

Authority: 15 U.S.C. 787 *et seq.;* 15 U.S.C. 791 *et seq.;* E.O. 11790, 39 FR 23185; 28 U.S.C. 2461 note.

■ 2. Section 207.7 is amended by revising the first sentence of paragraph (c)(1) to read as follows:

§ 207.7 Sanctions.

* * * * *

(c) * * * (1) Any person who violates any provision of this subpart or any order issued pursuant thereto shall be subject to a civil penalty of not more than $10,371 for each violation. * * *

* * * * *

PART 218—STANDBY MANDATORY INTERNATIONAL OIL ALLOCATION

■ 3. The authority citation for part 218 continues to read as follows:

Authority: 15 U.S.C. 751 *et seq.;* 15 U.S.C. 787 *et seq.;* 42 U.S.C. 6201 *et seq.;* 42 U.S.C. 7101 *et seq.;* E.O. 11790, 39 FR 23185; E.O. 12009, 42 FR 46267; 28 U.S.C. 2461 note.

■ 4. Section 218.42 is amended by revising paragraph (b)(1) to read as follows:

§ 218.42 Sanctions.

* * * * *

(b) * * * (1) Any person who violates any provision of this part 218 or any order issued pursuant thereto shall be subject to a civil penalty of not more than $22,464 for each violation.

* * * * *

PART 429—CERTIFICATION, COMPLIANCE, AND ENFORCEMENT FOR CONSUMER PRODUCTS AND COMMERCIAL AND INDUSTRIAL EQUIPMENT

■ 5. The authority citation for part 429 continues to read as follows:

Authority: 42 U.S.C. 6291–6317; 28 U.S.C. 2461 note.

■ 6. Section 429.120 is amended by revising the first sentence to read as follows:

§ 429.120 Maximum civil penalty.

Any person who knowingly violates any provision of § 429.102(a) may be subject to assessment of a civil penalty of no more than $449 for each violation.

* * * * *

PART 431—ENERGY EFFICIENCY PROGRAM FOR CERTAIN COMMERCIAL AND INDUSTRIAL EQUIPMENT

■ 7. The authority citation for part 431 continues to read as follows:

Authority: 42 U.S.C. 6291–6317; 28 U.S.C. 2461 note.

■ 8. Section 431.382 is amended by revising paragraph (b) to read as follows:

§ 431.382 Prohibited acts.

* * * * *

(b) In accordance with sections 333 and 345 of the Act, any person who knowingly violates any provision of paragraph (a) of this section may be subject to assessment of a civil penalty of no more than $449 for each violation.

* * * * *

PART 490—ALTERNATIVE FUEL TRANSPORTATION PROGRAM

■ 9. The authority citation for part 490 continues to read as follows:

Authority: 42 U.S.C. 7191 *et seq.;* 42 U.S.C. 13201, 13211, 13220, 13251 *et seq;* 28 U.S.C. 2461 note.

■ 10. Section 490.604 is amended by revising paragraph (a) to read as follows:

§ 490.604 Penalties and Fines.

(a) *Civil penalties.* Whoever violates § 490.603 shall be subject to a civil

penalty of not more than $8,697 for each violation.

* * * * *

PART 501—ADMINISTRATIVE PROCEDURES AND SANCTIONS

■ 11. The authority citation for part 501 continues to read as follows:

Authority: 42 U.S.C. 7101 *et seq.;* 42 U.S.C. 8301 *et seq.;* 42 U.S.C. 8701 *et seq.;* E.O. 12009, 42 FR 46267; 28 U.S.C. 2461 note.

■ 12. Section 501.181 is amended by revising paragraph (c)(1) to read as follows:

§ 501.181 Sanctions.

* * * * *

(c) * * * (1) Any person who violates any provisions of the Act (other than section 402) or any rule or order thereunder will be subject to the following civil penalty, which may not exceed $91,901 for each violation: Any person who operates a powerplant or major fuel burning installation under an exemption, during any 12-calendar-month period, in excess of that authorized in such exemption will be assessed a civil penalty of up to $8 for each MCF of natural gas or up to $37 for each barrel of oil used in excess of that authorized in the exemption.

* * * * *

PART 601—NEW RESTRICTIONS ON LOBBYING

■ 13. The authority citation for part 601 continues to read as follows:

Authority: 31 U.S.C. 1352; 42 U.S.C. 7254 and 7256; 31 U.S.C. 6301–6308; 28 U.S.C. 2461 note.

■ 14. Section 601.400 is amended by revising paragraphs (a), (b) and (e) to read as follows:

§ 601.400 Penalties.

(a) Any person who makes an expenditure prohibited herein shall be subject to a civil penalty of not less than $19,639 and not more than $196,387 for each such expenditure.

(b) Any person who fails to file or amend the disclosure form (see appendix B to this part) to be filed or amended if required herein, shall be subject to a civil penalty of not less than $19,639 and not more than $196,387 for each such failure.

* * * * *

(e) First offenders under paragraph (a) or (b) of this section shall be subject to a civil penalty of $19,639, absent aggravating circumstances. Second and subsequent offenses by persons shall be subject to an appropriate civil penalty between $19,639 and $196,387, as determined by the agency head or his or her designee.

* * * * *

Appendix A to Part 601 [Amended]

■ 15. Appendix A to part 601 is amended by:

■ a. Removing ''$19,246'' wherever it appears and adding in its place ''$19,639''.

■ b. Removing ''$192,459'' wherever it appears and adding in its place ''$196,387''.

■ c. Removing the second instance of the phrase ''Any person who fails to file the required certification'' and adding in its place the phrase ''Any person who fails to file the required statement''.

PART 820—PROCEDURAL RULES FOR DOE NUCLEAR ACTIVITIES

■ 16. The authority citation for part 820 continues to read as follows:

Authority: 42 U.S.C. 2201; 2282(a); 7191; 28 U.S.C. 2461 note; 50 U.S.C. 2410.

■ 17. Section 820.81 is amended by revising the first sentence to read as follows:

§ 820.81 Amount of penalty.

Any person subject to a penalty under 42 U.S.C. 2282a shall be subject to a civil penalty in an amount not to exceed $205,211 for each such violation.

* * * * *

PART 824—PROCEDURAL RULES FOR THE ASSESSMENT OF CIVIL PENALTIES FOR CLASSIFIED INFORMATION SECURITY VIOLATIONS

■ 18. The authority citation for part 824 continues to read as follows:

Authority: 42 U.S.C. 2201, 2282b, 7101 *et seq.,* 50 U.S.C. 2401 *et seq.;* 28 U.S.C. 2461 note.

■ 19. Section 824.1 is amended by revising the second sentence to read as follows:

§ 824.1 Purpose and scope.

* * * Subsection a. provides that any person who has entered into a contract or agreement with the Department of Energy, or a subcontract or subagreement thereto, and who violates (or whose employee violates) any applicable rule, regulation or order under the Act relating to the security or safeguarding of Restricted Data or other classified information, shall be subject to a civil penalty not to exceed $146,648 for each violation. * * *

■ 20. Section 824.4 is amended by revising paragraph (c) to read as follows:

§ 824.4 Civil penalties.

* * * * *

(c) The Director may propose imposition of a civil penalty for violation of a requirement of a regulation or rule under paragraph (a) of this section or a compliance order issued under paragraph (b) of this section, not to exceed $146,648 for each violation.

* * * * *

PART 851—WORKER SAFETY AND HEALTH PROGRAM

■ 21. The authority citation for part 851 continues to read as follows:

Authority: 42 U.S.C. 2201(i)(3), (p); 42 U.S.C. 2282c; 42 U.S.C. 5801 *et seq.;* 42 U.S.C. 7101 *et seq.;* 50 U.S.C. 2401 *et seq.;* 28 U.S.C. 2461 note.

■ 22. Section 851.5 is amended by revising the first sentence of paragraph (a) to read as follows:

§ 851.5 Enforcement.

(a) A contractor that is indemnified under section 170d. of the AEA (or any subcontractor or supplier thereto) and that violates (or whose employee violates) any requirement of this part shall be subject to a civil penalty of up to $95,237 for each such violation. * * *

* * * * *

■ 23. Appendix B to part 851 is amended by:

■ a. Revising the last sentences of paragraphs (b)(1) and (2) in section VI; and

■ b. Revising paragraph 1.(e)(1) in section IX.

The revisions read as follows:

Appendix B to Part 851—General Statement of Enforcement Policy

* * * * *

VI. Severity of Violations

* * * * *

(b) * * *

(1) * * * A Severity Level I violation would be subject to a base civil penalty of up to 100% of the maximum base civil penalty of $95,237.

(2) * * * A Severity Level II violation would be subject to a base civil penalty up to 50% of the maximum base civil penalty ($47,618).

* * * * *

IX. Enforcement Actions

* * * * *

1. Notice of Violation

* * * * *

(e) * * *

(1) DOE may assess civil penalties of up to $95,237 per violation per day on contractors (and their subcontractors

and suppliers) that are indemnified by the Price-Anderson Act, 42 U.S.C. 2210(d). *See* 10 CFR 851.5(a).

* * * * *

PART 1013—PROGRAM FRAUD CIVIL REMEDIES AND PROCEDURES

■ 24. The authority citation for part 1013 continues to read as follows:

Authority: 31 U.S.C. 3801–3812; 28 U.S.C. 2461 note.

■ 25. Section 1013.3 is amended by revising paragraphs (a)(1)(iv) and (b)(1)(ii) to read as follows:

§ 1013.3 Basis for civil penalties and assessments.

(a) * * *

(1) * * *

(iv) Is for payment for the provision of property or services which the person has not provided as claimed, shall be subject, in addition to any other remedy that may be prescribed by law, to a civil penalty of not more than $11,181 for each such claim.

* * * * *

(b) * * *

(1) * * *

(ii) Contains or is accompanied by an express certification or affirmation of the truthfulness and accuracy of the contents of the statement, shall be subject, in addition to any other remedy that may be prescribed by law, to a civil penalty of not more than $11,181 for each such statement.

* * * * *

PART 1017—IDENTIFICATION AND PROTECTION OF UNCLASSIFIED CONTROLLED NUCLEAR INFORMATION

■ 26. The authority citation for part 1017 continues to read as follows:

Authority: 42 U.S.C. 7101 *et seq.;* 50 U.S.C. 2401 *et seq.;* 42 U.S.C. 2168; 28 U.S.C. 2461 note.

■ 27. Section 1017.29 is amended by revising paragraph (c) to read as follows:

§ 1017.29 Civil penalty.

* * * * *

(c) *Amount of penalty.* The Director may propose imposition of a civil penalty for violation of a requirement of a regulation under paragraph (a) of this section or a compliance order issued under paragraph (b) of this section, not to exceed $264,093 for each violation.

* * * * *

PART 1050—FOREIGN GIFTS AND DECORATIONS

■ 28. The authority citation for part 1050 continues to read as follows:

Authority: The Constitution of the United States, Article I, Section 9; 5 U.S.C. 7342; 22 U.S.C. 2694; 42 U.S.C. 7254 and 7262; 28 U.S.C. 2461 note.

■ 29. Section 1050.303 is amended by revising the last sentence in paragraph (d) to read as follows:

§ 1050.303 Enforcement.

* * * * *

(d) * * * The court in which such action is brought may assess a civil penalty against such employee in any amount not to exceed the retail value of the gift improperly solicited or received plus $20,021.

[FR Doc. 2018–00206 Filed 1–10–18; 8:45 am]

BILLING CODE 6450–01–P

FARM CREDIT ADMINISTRATION

12 CFR Part 622

RIN 3052–AD29

Rules of Practice and Procedure; Adjusting Civil Money Penalties for Inflation

AGENCY: Farm Credit Administration.

ACTION: Final rule.

SUMMARY: This regulation implements inflation adjustments to civil money penalties (CMPs) that the Farm Credit Administration (FCA) may impose or enforce pursuant to the Farm Credit Act of 1971, as amended (Farm Credit Act), and pursuant to the Flood Disaster Protection Act of 1973, as amended by the National Flood Insurance Reform Act of 1994 (Reform Act), and further amended by the Biggert-Waters Flood Insurance Reform Act of 2012 (Biggert-Waters Act).

DATES: *Effective date:* This regulation is effective on January 15, 2018.

FOR FURTHER INFORMATION CONTACT: Michael T. Wilson, Policy Analyst, Office of Regulatory Policy, (703) 883–4124, TTY (703) 883–4056, *wilsonm@fca.gov,* or Autumn R. Agans, Attorney-Advisor, Office of General Counsel, (703) 883–4082, TTY (703) 883–4056, *agansa@fca.gov*.

SUPPLEMENTARY INFORMATION:

I. Objective

The objective of this regulation is to adjust the maximum CMPs for inflation through a final rulemaking to retain the deterrent effect of such penalties.

II. Background

A. Introduction

The Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Debt Collection Improvement Act of 1996 (1996 Act) and the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (2015 Act) (collectively, 1990 Act, as amended), requires all Federal agencies with the authority to enforce CMPs to evaluate and adjust, if necessary, those CMPs each year to ensure that they continue to maintain their deterrent value and promote compliance with the law. Section 3(2) of the 1990 Act, as amended, defines a civil monetary penalty [1] as any penalty, fine, or other sanction that: (1) Either is for a specific monetary amount as provided by Federal law or has a maximum amount provided for by Federal law; (2) is assessed or enforced by an agency pursuant to Federal law; and (3) is assessed or enforced pursuant to an administrative proceeding or a civil action in the Federal courts.[2]

The FCA imposes and enforces CMPs through the Farm Credit Act [3] and the Flood Disaster Protection Act of 1973, as amended. FCA's regulations governing CMPs are found in 12 CFR parts 622 and 623. Part 622 establishes rules of practice and procedure applicable to formal and informal hearings held before the FCA, and to formal investigations conducted under the Farm Credit Act. Part 623 prescribes rules regarding persons who may practice before the FCA and the circumstances under which such persons may be suspended or debarred from practice before the FCA.

B. CMPs Issued Under the Farm Credit Act

The Farm Credit Act provides that any Farm Credit System (System) institution or any officer, director, employee, agent, or other person participating in the conduct of the affairs of a System institution who violates the terms of a cease-and-desist order that has become final pursuant to section 5.25 or 5.26 of the Farm Credit Act must pay up to a maximum daily amount of $1,000 [4] during which such violation continues. This CMP maximum was set by the Farm Credit Amendments Act of 1985, which amended the Farm Credit Act. Orders

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[1] *Note:* While the 1990 Act, as amended by 1996 and 2015 Acts, uses the term ''civil monetary penalties'' for these penalties or other sanctions, the Farm Credit Act and the FCA Regulations use the term ''civil money penalties.'' Both terms have the same meaning. Accordingly, this rule uses the term civil money penalty, and both terms may be used interchangeably.

[2] *See* 28 U.S.C. 2461 **note.**

[3] Public Law 92–181, as amended.

[4] The inflation-adjusted CMP in effect on January 15, 2017, for a violation of a final order is $2,224 per day, as set forth in § 622.61(a)(1) of FCA regulations.

issued by the FCA under section 5.25 or 5.26 of the Farm Credit Act include temporary and permanent cease-and-desist orders. In addition, section 5.32(h) of the Farm Credit Act provides that any directive issued under sections 4.3(b)(2), 4.3A(e), or 4.14A(i) of the Farm Credit Act ''shall be treated'' as a final order issued under section 5.25 of the Farm Credit Act for purposes of assessing a CMP.

Section 5.32(a) of the Farm Credit Act also states that ''[a]ny such institution or person who violates any provision of the [Farm Credit] Act or any regulation issued under this Act shall forfeit and pay a civil penalty of not more than $500 [5] per day for each day during which such violation continues.'' This CMP maximum was set by the Agricultural Credit Act of 1987, which was enacted in 1988, and amends the Farm Credit Act. Current, inflation-adjusted CMP maximums are set forth in existing § 622.61 of FCA regulations.[6]

The FCA also enforces the Flood Disaster Protection Act of 1973,[7] as amended by the National Flood Insurance Reform Act of 1994,[8] which requires FCA to assess CMPs for a pattern or practice of committing certain specific actions in violation of the National Flood Insurance Program. The existing maximum CMP for a violation under the Flood Disaster Protection Act of 1973 is $2,000.[9] [10]

C. Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015

1. In General

The 2015 Act required all Federal agencies to adjust the CMPs yearly, starting January 15, 2017.

Under Section 4(b) of the 1990 Act, as amended, annual adjustments are to be made yearly no later than January 15 of each year.[11] Section 6 of the 1990 Act, as amended, states that any increase to a civil monetary penalty under this 1990 Act applies only to civil monetary penalties, including those whose associated violation predated such increase, which are assessed after the date the increase takes effect.

Section 5(b) of the 1990 Act, as amended, defines the term ''cost-of-living adjustment'' as the percentage (if any) for each civil monetary penalty by which (1) the Consumer Price Index (CPI) for the month of October of the calendar year preceding the adjustment, exceeds (2) the CPI for the month of October 1 year before the month of October referred to in (1) of the calendar year in which the amount of such civil monetary penalty was last set or adjusted pursuant to law.[12]

The increase for each CMP adjusted for inflation must be rounded using a method prescribed by section 5(a) of the 1990 Act, as amended, by the 2015 Act.[13]

2. Other Adjustments

If a civil monetary penalty is subject to a cost-of-living adjustment under the 1990 Act, as amended, but is adjusted to an amount greater than the amount of the adjustment required under the Act within the 12 months preceding a required cost-of-living adjustment, the agency is not required to make the cost-of-living adjustment to that CMP in that calendar year.[14]

III. Yearly Adjustments

A. Mathematical Calculations of 2018 Adjustments

The adjustment requirement affects two provisions of section 5.32(a) of the Farm Credit Act. For the 2018 yearly adjustments to the CMPs set forth by the Farm Credit Act, the calculation required by the 2017 White House Office of Management and Budget (OMB) guidance [15] is based on the percentage by which the CPI for October 2017 exceeds the CPIs for October 2016. The OMB set forth guidance, as required by the 2015 Act,[16] with a multiplier for calculating the new CMP values.[17] The OMB multiplier for the 2018 CMPs is 1.02041.

The adjustment also affects the CMPs set by the Flood Disaster Protection Act of 1973, as amended. The adjustment multiplier is the same for all FCA enforced CMPs, set at 1.02041. The maximum CMPs for violations were created in 2012 by the Biggert-Waters Act, which amended the Flood Disaster Protection Act of 1973.

1. New Penalty Amount in § 622.61(a)(1)

The inflation-adjusted CMP currently in effect for violations of a final order occurring on or after January 15, 2017, is a maximum daily amount of $2,224.[18] Multiplying the $2,224 CMP by the 2017 OMB multiplier, 1.02041, yields a total of $2,269.39. When that number is rounded as required by section 5(a) of the 1990 Act, as amended, the inflation-adjusted maximum increases to $2,269. Thus, the new CMP maximum is $2,269.

2. New Penalty Amount in § 622.61(a)(2)

The inflation-adjusted CMP currently in effect for violations of the Farm Credit Act or regulations issued under the Farm Credit Act occurring on or after January 15, 2017, is a maximum daily amount of $1,005.[19] Multiplying the $1,005 CMP maximum by the 2017 OMB multiplier, 1.02041, yields a total of $1,025.51. When that number is rounded as required by section 5(a) of the 1990 Act, as amended the inflation-adjusted maximum increases to $1,026. Thus, the new CMP maximum is $1,026.

3. New Penalty Amounts for Flood Insurance Violations Under § 622.61(b)

The existing maximum CMP for a pattern or practice of flood insurance violations pursuant to 42 U.S.C. 4012a(f)(5) is $2,090. Multiplying $2,090 by the 2017 OMB multiplier, 1.02041, yields a total of $2,132.65. When that number is rounded as required by section 5(a) of the 1990 Act, as amended, the new maximum assessment of the CMP for violating 42 U.S.C. 4012a(f)(5) is $2,133. Thus, the new CMP maximum is $2,133.

IV. Notice and Comment Not Required by Administrative Procedure Act

The 1990 Act, as amended, gives Federal agencies no discretion in the adjustment of CMPs for the rate of inflation. Further, these revisions are ministerial, technical, and noncontroversial. For these reasons, the FCA finds good cause to determine that public notice and an opportunity to comment are impracticable, unnecessary, and contrary to the public interest pursuant to the Administrative Procedure Act, 5 U.S.C. 553(b)(B), and adopts this rule in final form.

[5] The inflation-adjusted CMP in effect on January 15, 2017, for a violation of the Farm Credit Act or a regulation issued under the Farm Credit Act is $1,005 per day, as set forth in § 622.61(a)(2) of FCA regulations.

[6] Prior adjustments were made under the 1990 Act.

[7] 42 U.S.C. 4012a.

[8] Public Law 103–325, title V, 108 Stat. 2160, 2255–87 (September 23, 1994).

[9] Public Law 112–141, 126 Stat. 405 (July 6, 2012).

[10] The inflation-adjusted CMP in effect on January 15, 2017, for a flood insurance violation is $2,090, as set forth in § 622.61(b) of FCA regulations.

[11] Public Law 114–74, sec. 701(b)(1).

[12] The CPI is published by the Department of Labor, Bureau of Statistics, and is available at its website: *ftp://ftp.bls.gov/pub/special.requests/cpi/cpiai.txt.*

[13] Pursuant to section 5(a)(3) of the 2015 Act, any increase determined under the subsection shall be rounded to the nearest $1.

[14] Pursuant to section 4(d) of the 1990 Act, as amended.

[15] OMB Circular M–18–03, Implementation of Penalty Inflation Adjustments for 2018, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

[16] 28 U.S.C. 2461 **note,** section 7(a).

[17] OMB Circular M–18–03, Implementation of Penalty Inflation Adjustments for 2018, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

[18] 12 CFR 622.61(a)(1).

[19] 12 CFR 622.61(a)(2).

V. Regulatory Flexibility Act

Pursuant to section 605(b) of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), the FCA hereby certifies that this final rule will not have a significant economic impact on a substantial number of small entities. Each of the banks in the System, considered together with its affiliated associations, has assets and annual income in excess of the amounts that would qualify them as small entities. Therefore, System institutions are not ''small entities'' as defined in the Regulatory Flexibility Act.

List of Subjects in 12 CFR Part 622

Administrative practice and procedure, Crime, Investigations, Penalties.

For the reasons stated in the preamble, part 622 of chapter VI, title 12 of the Code of Federal Regulations is amended as follows:

PART 622—RULES OF PRACTICE AND PROCEDURE

■ 1. The authority citation for part 622 continues to read as follows:

Authority: Secs. 5.9, 5.10, 5.17, 5.25–5.37 of the Farm Credit Act (12 U.S.C. 2243, 2244, 2252, 2261–2273); 28 U.S.C. 2461 note; and 42 U.S.C. 4012a(f).

■ 2. Revise § 622.61 to read as follows:

§ 622.61 Adjustment of civil money penalties by the rate of inflation under the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended.

(a) The maximum amount of each civil money penalty within FCA's jurisdiction is adjusted in accordance with the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended (28 U.S.C. 2461 **note**), as follows:

(1) Amount of civil money penalty imposed under section 5.32 of the Act for violation of a final order issued under section 5.25 or 5.26 of the Act: The maximum daily amount is $2,269 for violations that occur on or after January 15, 2018.

(2) Amount of civil money penalty for violation of the Act or regulations: The maximum daily amount is $1,026 for each violation that occurs on or after January 15, 2018.

(b) The maximum civil money penalty amount assessed under 42 U.S.C. 4012a(f) is: $385 for each violation that occurs on or after January 16, 2009, but before July 1, 2013, with total penalties under such statute not to exceed $120,000 for any single institution during any calendar year; $2,000 for each violation that occurs on or after July 1, 2013, but before August 1, 2016, with no cap on the total amount of penalties that can be assessed against any single institution during any calendar year; and $2,133 for each violation that occurs on or after January 15, 2018, with no cap on the total amount of penalties that can be assessed against any single institution during any calendar year.

Dated: January 8, 2018.

Dale L. Aultman,

Secretary, Farm Credit Administration Board.

[FR Doc. 2018–00336 Filed 1–10–18; 8:45 am]

BILLING CODE 6705–01–P

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 211

[Release No. SAB 117]

Staff Accounting Bulletin No. 117

AGENCY: Securities and Exchange Commission.

ACTION: Publication of Staff Accounting Bulletin.

SUMMARY: This staff accounting bulletin modifies portions of the interpretive guidance included in the Staff Accounting Bulletin Series in order to make the relevant interpretive guidance consistent with authoritative accounting guidance and Securities and Exchange Commission rules and regulations. Specifically, the staff is updating the Series in order to bring existing guidance into conformity with the Financial Accounting Standards Board Accounting Standards Codification Topic 321, *Investments—Equity Securities.*

DATES: *Effective:* January 11, 2018.

FOR FURTHER INFORMATION CONTACT: Brian Staniszewski, Professional Accounting Fellow, Office of the Chief Accountant at (202) 551–5300 or Lindsay McCord, Associate Chief Accountant, Division of Corporation Finance at (202) 551–3400, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

SUPPLEMENTARY INFORMATION: The statements in staff accounting bulletins are not rules or interpretations of the Commission, nor are they published as bearing the Commission's official approval. They represent interpretations and practices followed by the Division of Corporation Finance and the Office of the Chief Accountant in administering the disclosure requirements of the federal securities laws.

List of Subjects in 17 CFR Part 211

Accounting, Reporting and recordkeeping requirements, Securities.

Dated: November 29, 2017.

Brent J. Fields,

Secretary.

Accordingly, part 211 of title 17 of the Code of Federal Regulations is amended as follows:

PART 211—INTERPRETATIONS RELATING TO FINANCIAL REPORTING MATTERS

■ 1. Add an authority citation for part 211 to read as follows:

Authority: 15 U.S.C. 77g, 15 U.S.C. 77s(a), 15 U.S.C. 77aa(25) and (26), 15 U.S.C. 78c(b), 17 CFR 78l(b) and 13(b), 17 CFR 78m(b) and 15 U.S.C. 80a–8, 30(e) 15 U.S.C. 80a–29(e), 15 U.S.C. 80a–30, and 15 U.S.C. 80a–37(a).

■ 2. Amend the table in subpart B by adding an entry for Staff Accounting Bulletin No. 117 at the end of the table to read as follows:

Subpart B—Staff Accounting Bulletins

Subject	Release No.	Date	Fed. Reg. Vol. and page
* * *	*	*	* *
Publication of Staff Accounting Bulletin No. 117	SAB–117	1/11/2018	[INSERT **Federal Register** CITATION].

Note: The text of SAB 117 will not appear in the Code of Federal Regulations.

Staff Accounting Bulletin No. 117

This staff accounting bulletin modifies portions of the interpretive guidance included in the Staff Accounting Bulletin Series in order to make the relevant interpretive guidance consistent with current authoritative accounting and auditing guidance and Securities and Exchange Commission (''Commission'') rules and regulations.

Specifically, the staff is updating the Series in order to bring existing guidance into conformity with the Financial Accounting Standards Board (''FASB'') Accounting Standards Codification (''ASC'') Topic 321, *Investments—Equity Securities* (''ASC Topic 321''). The FASB adopted ASC Topic 321 through its issuance of Accounting Standards Update No. 2016–01, *Financial Instruments—Overall (Subtopic 825–10): Recognition and Measurement of Financial Assets and Financial Liabilities.*

The following describes the changes made to the Staff Accounting Bulletin Series that are presented at the end of this release:

1. Topic 5: Miscellaneous Accounting

a. Topic 5.M in the Staff Accounting Bulletin Series entitled *Other Than Temporary Impairment of Certain Investments in Equity Securities* (''Topic 5.M'') is no longer applicable upon a registrant's adoption of ASC Topic 321. Topic 5.M provided the staff's views on evaluating whether an impairment loss should be recognized in net income for investments in equity securities that were measured at fair value with changes in fair value presented in other comprehensive income.[1] ASC Topic 321 establishes new guidance that eliminates the ability to present changes in the fair value of investments in equity securities within other comprehensive income. After a registrant adopts ASC Topic 321, investments in equity securities that previously qualified for presenting changes in fair value within other comprehensive income will be measured at fair value with changes in fair value presented immediately in net income. Therefore, ASC Topic 321 eliminates the need for Topic 5.M.

Accordingly, the staff hereby amends the Staff Accounting Bulletin Series as follows:

* * * * *

Topic 5: Miscellaneous Accounting

* * * * *

M.1. Impact of a Registrant's Adoption of FASB ASC Topic 321, Investments—Equity Securities—Overall

Topic 5.M is no longer applicable upon a registrant's adoption of ASC Topic 321. Topic 5.M provided the staff's views on evaluating whether an impairment loss should be recognized in net income for investments in equity securities that were measured at fair value with changes in fair value presented in other comprehensive income. ASC Topic 321 establishes new guidance that eliminates the ability to present changes in the fair value of investments in equity securities within other comprehensive income, which eliminates the need for Topic 5.M. Registrants that have not yet adopted ASC Topic 321 should continue to refer to Topic 5.M.

* * * * *

[FR Doc. 2018–00352 Filed 1–10–18; 8:45 am]

BILLING CODE 8011–01–P

[1] Prior to the adoption of ASC Topic 321, FASB ASC Topic 320, *Investments—Debt and Equity Securities,* permitted investments in equity securities with readily determinable fair values to be classified as (1) available-for-sale, with changes in fair value recognized in other comprehensive income, or as (2) trading securities, with changes in fair value recognized in net income.

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 275

[Release No. IA–4839; File No. S7–05–17]

RIN 3235–AM02

Exemptions From Investment Adviser Registration for Advisers to Small Business Investment Companies

AGENCY: Securities and Exchange Commission.

ACTION: Final rule.

SUMMARY: We are adopting amendments to the rule that defines a venture capital fund (rule 203(*l*)–1) and the rule that implements the private fund adviser exemption (rule 203(m)–1) under the Investment Advisers Act of 1940 (the ''Advisers Act'') in order to reflect changes made by title LXXIV, sections 74001 and 74002 of the Fixing America's Surface Transportation Act of 2015 (the ''FAST Act''), which amended sections 203(*l*) and 203(m) of the Advisers Act. Title LXXIV, section 74001 of the FAST Act amended the exemption from investment adviser registration for any adviser solely to one or more ''venture capital funds'' in Advisers Act section 203(*l*) by deeming ''small business investment companies'' to be ''venture capital funds'' for purposes of the exemption. Accordingly, we are amending the definition of a venture capital fund to include ''small business investment companies.'' Title LXXIV, section 74002 of the FAST Act amended the exemption from investment adviser registration for any adviser solely to ''private funds'' with less than $150 million in assets under management in Advisers Act section 203(m) by excluding the assets of ''small business investment companies'' when calculating ''private fund assets'' towards the registration threshold of $150 million. Accordingly, we are amending the definition of ''assets under management'' in the rule that implements the private fund adviser exemption to exclude the assets of ''small business investment companies.''

DATES: Effective March 12, 2018.

FOR FURTHER INFORMATION CONTACT: Jennifer Songer, Senior Counsel, or Sara Cortes, Assistant Director, at (202) 551–6787 or *IArules@sec.gov,* Investment Adviser Regulation Office, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–8549.

SUPPLEMENTARY INFORMATION: The Commission is adopting amendments to rules 203(*l*)–1 [17 CFR 275.203(*l*)\1] and 203(m)–1 [17 CFR 275.203(m)–1] under the Investment Advisers Act of 1940 [15 U.S.C. 80b].[1]

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VII. Statutory Authority

I. Background

Prior to the enactment of the Fixing America's Surface Transportation Act of 2015 (the ''FAST Act''),[2] we believe that investment advisers to small business investment companies (''SBICs'')[3] primarily relied upon an exemption

[1] Unless otherwise noted, when we refer to the Advisers Act, or any paragraph of the Advisers Act, we are referring to 15 U.S.C. 80b of the United States Code [15 U.S.C. 80b], at which the Advisers Act is codified, and when we refer to Advisers Act rules, or any paragraph of these rules, we are referring to title 17, part 275 of the Code of Federal Regulations [17 CFR part 275], in which these rules are published.

[2] Public Law 114–94, 129 Stat. 1312 (Dec. 4, 2015).

[3] An SBIC is (other than an entity that has elected to be regulated or is regulated as a business development company pursuant to section 54 of the Investment Company Act of 1940): (A) A small business investment company that is licensed under the Small Business Investment Act of 1958 (''SBIA''), (B) an entity that has received from the Small Business Administration notice to proceed to qualify for a license as a small business investment company under the SBIA, which notice or license has not been revoked, or (C) an applicant that is affiliated with 1 or more licensed small business investment companies described in subparagraph (A) and that has applied for another license under the SBIA, which application remains pending. Advisers Act section 203(b)(7).

from investment adviser registration under the Investment Advisers Act of 1940 (the ''Advisers Act'') [4] for advisers solely to SBICs (the ''SBIC adviser exemption'').[5] The FAST Act expanded the applicability of two additional exemptions from investment adviser registration for investment advisers to SBICs: (1) The exemption for any adviser solely to one or more ''venture capital funds'' in Advisers Act section 203(*l*) (the ''venture capital fund adviser exemption''), and (2) the exemption for any adviser solely to ''private funds'' with less than $150 million in assets under management in Advisers Act section 203(m) (the ''private fund adviser exemption''). This had the effect of permitting investment advisers to SBICs to advise both SBICs and other types of private funds without being required to register as investment advisers with the Commission.

The FAST Act amended sections 203(*l*) and 203(m) of the Advisers Act regarding the registration of investment advisers to SBICs. Title LXXIV, section 74001 of the FAST Act amended the venture capital fund adviser exemption by deeming SBICs to be ''venture capital funds'' for purposes of the exemption. Title LXXIV, section 74002 of the FAST Act amended the private fund adviser exemption by excluding the assets of SBICs for purposes of calculating private fund assets towards the registration threshold of $150 million.[6] Accordingly, on May 3, 2017,[7] we proposed to amend (1) the definition of ''venture capital funds'' in Advisers Act rule 203(*l*)–1 to include SBICs and (2) the definition of ''assets under management'' in Advisers Act rule 203(m)–1 to exclude the assets of SBICs.

Advisers who rely on the SBIC adviser exemption are not subject to reporting or recordkeeping provisions under the Advisers Act or examination by our staff.[8] Advisers who rely on the venture capital fund adviser exemption and the private fund adviser exemption are exempt from registration under the Advisers Act; however, they are considered ''exempt reporting advisers'' and must maintain such records and submit such reports as the Commission determines necessary or appropriate in the public interest or for the protection of investors.[9] Exempt reporting advisers are required to file a subset of the information requested by Form ADV with the Commission but are not subject to many of the other substantive requirements to which registered investment advisers are subject.[10]

Since the enactment of the FAST Act, advisers to SBICs have been able to rely on the following exemptions from investment adviser registration with the Commission: (1) The SBIC adviser exemption by advising only SBICs; (2) the venture capital fund adviser exemption by advising both SBICs and venture capital funds (as defined in rule 203(*l*)–1); or (3) the private fund adviser exemption by advising both SBICs and non-SBIC private funds, provided those non-SBIC private funds account for less than $150 million in assets under management in the United States.[11]

As discussed above, we proposed to amend the definition of a ''venture capital fund'' in Advisers Act rule 203(*l*)–1 to include SBICs and to amend the definition of ''assets under management'' in Advisers Act rule 203(m)–1 to exclude the assets of SBICs.[12] We received three comment letters,[13] none of which specifically addressed the proposed amendments.[14] We are adopting the amendments as proposed.

II. Discussion

A. Amendment to Rule 203(l)–1

The venture capital fund adviser exemption in section 203(*l*) of the Advisers Act provides an exemption from registration under the Advisers Act for investment advisers that *solely* advise venture capital funds.[15] Advisers

[4] 15 U.S.C. 80b.

[5] Advisers Act section 203(b)(7). Although we believe that most, if not all, SBICs are private funds, we believe that very few advisers to SBICs have private fund assets under management in the United States of less than $150 million. Therefore, very few advisers to SBICs are likely to qualify for the private fund adviser exemption. *See SBIC Program Overview,* Small Business Administration, Office of Investment and Innovation, Data Management Branch, September 30, 2016, available at: *https://www.sba.gov/sbic/general-information/program-overview* (''SBIC Program Overview'').

[6] The term ''private fund'' means an issuer that would be an investment company, as defined in section 3 of the Investment Company Act of 1940, but for section 3(c)(1) or 3(c)(7) of that Act. Advisers Act section 202(a)(29). While we believe that most SBICs are private funds, it is possible for an SBIC to be an investment company registered with the Commission. *See* 13 CFR 107.115 (stating that a registered investment company is eligible to apply for an SBIC license).

[7] *See Amendments to Investment Advisers Act Rules to Reflect Changes Made by the FAST Act,* Investment Advisers Act Release No. 4697 (May 3, 2017) [82 FR 21487 (May 9, 2017)] (''Proposing Release'').

[8] Under section 204(a) of the Advisers Act, the Commission has the authority to require an investment adviser to maintain records and provide reports, as well as the authority to examine such adviser's records, unless the adviser is specifically exempted from the requirement to register pursuant to Advisers Act section 203(b). Advisers Act section 203(b)(7) provides an exemption from registration for advisers solely to SBICs. Advisers Act sections 204(a) and 203(b)(7); *Exemptions for Advisers to Venture Capital Funds, Private Fund Advisers With Less Than $150 Million in Assets Under Management, and Foreign Private Advisers,* Investment Advisers Act Release No. 3222 (June 22, 2011) [76 FR 39646 (July 6, 2011)] (''Exemptions Release'') at footnote 5 and accompanying text.

[9] Under Advisers Act section 204(a), the Commission has the authority to require an investment adviser to maintain records and provide reports, as well as the authority to examine such adviser's records, unless the adviser is specifically exempted from the requirement to register pursuant to Advisers Act section 203(b). Investment advisers that are exempt from registration in reliance on other sections of the Advisers Act, such as sections 203(*l*) or 203(m), are not specifically exempted from the requirement to register pursuant to section 203(b), and thus the Commission has authority under Advisers Act section 204(a) to require those advisers to maintain records and provide reports and has authority to examine such advisers' records. Advisers Act sections 203(*l*)(1) and 203(m)(2). *See also* Exemptions Release *supra* footnote 8 at footnote 5 and accompanying text. Advisers Act rule 204–4 requires an exempt reporting adviser to complete and file reports on Form ADV by following the instructions in the Form, which specify the information that an exempt reporting adviser must provide. *See* ''*Frequently Asked Questions on Form ADV and IARD*'' available at: *https://www.sec.gov/divisions/investment/iard/iardfaq.shtml* (''Form ADV FAQs'') at section entitled: *Reporting to the SEC as an Exempt Reporting Adviser; Form ADV: General Instructions* available at: *https://www.sec.gov/about/forms/formadv-instructions.pdf* (''General Instructions to Form ADV'') at Instruction 3. Further, an adviser electing to be an exempt reporting adviser with the Commission must separately evaluate the need to register in any state in which it operates. General Instructions to Form ADV at Instruction 14.

[10] In addition to reporting requirements, registered investment advisers are required to comply with Advisers Act rules 204–2, 204–3, 204(b)–1, 204A–1, 206(4)–1, 206(4)–2, 206(4)–3, 206(4)–6 and 206(4)–7.

[11] *See* FAST Act *supra* footnote 2. *See generally, FAST Act Changes Affecting Investment Advisers to Small Business Investment Companies* (March 2016), available at: *https://www.sec.gov/investment/im-guidance-2016-03.pdf* (''Staff Guidance'').

[12] Proposing Release *supra* footnote 7.

[13] Comment letters submitted in File No. S7–05–17 are available on the Commission's website at: *https://www.sec.gov/comments/s7-05-17/s70517.htm.*

[14] *See* Comment Letter of Daphne K. Ross (June 7, 2017) (generally addressing the need for consumer protections), Comment Letter of Donald H. Homan (June 5, 2017) (commenting on the impact of regulations on the investment advisory industry) and Comment Letter of Thomas Garrett (June 3, 2017) (making a request that did not address the rule proposal).

[15] We note, however, that depending on the facts and circumstances, we may view two or more separately formed advisory entities, each of which purports to rely on a separate exemption from registration, as a single adviser for purposes of assessing the availability of exemptions from registration. For example, an adviser may not advise venture capital funds with more than $150 million in assets under management in reliance on the venture capital fund adviser exemption and also advise other types of private funds with less than $150 million in assets under management in reliance on the private fund adviser exemption. *See* Exemptions Release *supra* footnote 8 at footnote 314, footnote 506 and accompanying text. *See also In the Matter of TL Ventures Inc.,* Investment Advisers Act Release No. 3859 (June 20, 2014) (settled action); Advisers Act section 208(d) (prohibiting a person from doing indirectly or

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who rely on the venture capital fund adviser exemption are exempt from registration under the Advisers Act; however, they are considered ''exempt reporting advisers'' and must maintain such records and submit such reports as the Commission determines necessary or appropriate in the public interest or for the protection of investors.[16] The FAST Act amended the venture capital fund adviser exemption by deeming SBICs to be venture capital funds for purposes of the exemption.[17]

Advisers Act rule 203(*l*)–1 defines a ''venture capital fund'' for purposes of the venture capital fund adviser exemption.[18] While most, if not all, SBICs meet the definition of a ''private fund'' under the Advisers Act,[19] they may not meet the rule 203(*l*)–1 definition of a ''venture capital fund.'' We proposed to amend Advisers Act rule 203(*l*)–1 to include SBICs in the definition of venture capital funds for purposes of the venture capital fund adviser exemption.[20] We did not receive any comments on the proposed amendment, and we are adopting the amendment as proposed.[21] Amending the definition of venture capital fund in Advisers Act rule 203(*l*)–1 makes it consistent with Advisers Act section 203(*l*)(2), thereby reflecting in the rule the application of the venture capital fund adviser exemption to advisers to SBICs. An adviser to SBICs who relies on the venture capital fund adviser exemption will be required to submit Form ADV reports to the Commission as an exempt reporting adviser, consistent with the current requirement for advisers relying on the venture capital fund adviser exemption.[22]

B. Amendment to Rule 203(m)–1

The private fund adviser exemption in Advisers Act section 203(m) directs the Commission to provide an exemption from registration to any investment adviser that *solely* advises private funds if the adviser has assets under management in the United States of less than $150 million.[23] Advisers Act rule 203(m)–1 implements the private fund adviser exemption. Advisers who rely on the private fund adviser exemption are exempt from registration under the Advisers Act; however, they are considered ''exempt reporting advisers'' and must maintain such records and submit such reports as the Commission determines necessary or appropriate in the public interest or for the protection of investors.[24] The FAST Act amended the private fund adviser exemption to require that private fund advisers exclude the assets of their SBICs for purposes of calculating private fund assets towards the registration threshold of $150 million.[25]

Advisers Act rule 203(m)–1(d)(1) defines ''assets under management'' for purposes of the private fund adviser exemption.[26] The rule 203(m)–1(d)(1) definition of assets under management includes an adviser's regulatory assets under management attributable to SBICs. We proposed to amend Advisers Act rule 203(m)–1(d)(1) to exclude an adviser's regulatory assets under management attributable to SBICs from the definition of assets under management for purposes of the private fund adviser exemption.[27] We did not receive any comments on our proposed amendment, and we are adopting the amendment as proposed.[28] Amending the definition of assets under management in Advisers Act rule 203(m)–1 to make it consistent with Advisers Act section 203(m)(3) will reflect that advisers to both private funds and SBICs can rely on the private fund adviser exemption without regard to the SBIC assets that they advise. An adviser to SBICs who relies on the private fund adviser exemption will be required to submit reports to the Commission as an exempt reporting adviser and to include the SBICs that it advises on its Form ADV, consistent with the current requirement for advisers relying on the private fund adviser exemption.[29]

III. Effective Date

The effective date of the amendments to rules 203(*l*)–1 and 203(m)–1 is March 12, 2018.

IV. Economic Analysis

A. Introduction and Economic Justification

The Commission is sensitive to the potential economic effects of the amendments to Advisers Act rules 203(*l*)–1 and 203(m)–1 we are adopting today. These effects include the benefits and costs to investment advisers, their funds, and the investors in their funds as well as the amendments' implications for efficiency, competition, and capital formation. We discussed these effects in our economic analysis of the proposed amendments to Advisers Act rules 203(*l*)–1 and 203(m)–1 and we did not receive any comments on this analysis.[30] The economic baseline estimates have been revised to reflect updates to industry figures that were utilized in the Proposing Release.

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through or by another person, any act or thing which it would be unlawful for such person to do directly).

[16] Advisers Act section 203(*l*)(1). *See Rules Implementing Amendments to the Investment Advisers Act of 1940,* Investment Advisers Act Release No. 3221 (June 22, 2011) [76 FR 42950 (July 11, 2011)] (''Implementing Release'') at section II.B. Advisers Act rule 204–4 requires an exempt reporting adviser to complete and file reports on Form ADV by following the instructions in the Form, which specify the information that an exempt reporting adviser must provide. *See* Form ADV FAQs *supra* footnote 9 at section entitled: *Reporting to the SEC as an Exempt Reporting Adviser;* General Instructions to Form ADV *supra* footnote 9 at Instruction 4.

[17] Advisers Act section 203(*l*)(2).

[18] Advisers Act rule 203(*l*)–1(a) generally defines a ''venture capital fund'' as a private fund that: (i) Represents to investors and potential investors that it pursues a venture capital strategy; (ii) holds no more than 20 percent of the fund's capital commitments in assets that are not qualifying investments (other than short-term holdings); (iii) does not borrow or otherwise incur leverage in excess of 15 percent of the fund's capital commitments, and such borrowing is for a non-renewable term of no longer than 120 days (excluding certain guarantees of qualifying portfolio company obligations by the fund from the 120 day limit); (iv) does not offer its investors redemption or certain other liquidity rights except in extraordinary circumstances; and (v) is not registered under the Investment Company Act and has not elected to be treated as a business development company. *See also* Advisers Act rule 203(*l*)–1(b) and (c).

[19] Advisers Act section 202(a)(29).

[20] Proposed amended Advisers Act rule 203(*l*)–1(a).

[21] Amended Advisers Act rule 203*(l)*–1(a).

[22] Advisers Act section 203(*l*)(1). *See* Implementing Release *supra* footnote 16 at section II.B.

[23] *Supra* footnote 15.

[24] Advisers Act section 203(m)(2). *See* Implementing Release *supra* footnote 16 at section II.B. Advisers Act rule 204–4 requires an exempt reporting adviser to complete and file reports on Form ADV by following the instructions in the Form, which specify the information that an exempt reporting adviser must provide. *See* Form ADV FAQs *supra* footnote 9 at section entitled: *Reporting to the SEC as an Exempt Reporting Adviser;* General Instructions to Form ADV *supra* footnote 9 at Instruction 3.

[25] Advisers Act section 203(m)(3).

[26] For purpose of Advisers Act section 203(m), assets under management means the regulatory assets under management as determined under Item 5.F of Form ADV. Advisers Act rule 203(m)–1(d)(1). Instruction 5.b. to Part 1A of Form ADV explains how to calculate regulatory assets under management for purposes of Item 5.F of Part 1A of Form ADV. In general, it states that an adviser should include the securities portfolios for which it provides continuous and regular supervisory or management services. In the case of a private fund, advisers are instructed to determine the current market value (or fair value) of the private fund's assets and the contractual amount of any uncalled commitment pursuant to which a person is obligated to acquire an interest in, or make a capital contribution to, the private fund. *See Form ADV: Instructions for Part 1A* available at: *https://www.sec.gov/about/forms/formadv-instructions.pdf* at Instruction 5.b.4.

[27] Proposed amended Advisers Act rule 203(m)–1(d)(1).

[28] Amended Advisers Act rule 203(m)–1(d)(1).

[29] Advisers Act section 203(m)(2). *See* Implementing Release *supra* footnote 16 at section II.B.

[30] *See supra* footnotes 13 and 14.

However, these changes are only marginally different from the proposal and, accordingly, the analysis of the amendments' economic effects remains unchanged.

The amendments to Advisers Act rules 203(*l*)–1 and 203(m)–1 reflect changes made by title LXXIV, sections 74001 and 74002 of the FAST Act to the Advisers Act. While the FAST Act does not expressly require the Commission to amend the Advisers Act rules, the amendments eliminate any confusion that might otherwise exist if Advisers Act rules 203(*l*)–1 and 203(m)–1 were not amended. As adopted, Advisers Act rule 203(*l*)–1 reflects that advisers to venture capital funds and SBICs qualify for the venture capital fund adviser exemption from registration. As adopted, Advisers Act rule 203(m)–1 reflects that advisers to SBIC and non-SBIC private funds with less than $150 million in non-SBIC private fund assets under management in the United States qualify for the private fund adviser exemption from registration.

Economic Baseline

To establish a baseline useful for evaluating the economic effects of the amendments, we briefly describe the nature of SBICs and then define the different classes of advisers that could be affected by the amendments.

According to the Small Business Administration (the ''SBA''), SBICs are investment funds that make equity and debt investments in qualifying small businesses and are licensed and regulated by the SBA.[31] SBICs have access to low-cost capital because of a guarantee by the SBA. According to the SBA, this funding subsidy is intended to promote the SBIC program's purpose of bridging the gap between the small business community's need for capital and traditional sources of financing that might otherwise be more expensive.[32]

Advisers to SBICs may also advise non-SBIC private funds, including venture capital funds. Depending on the amount and type of assets they advise, SBIC advisers belong to one of three categories: (1) Registered investment advisers; (2) exempt reporting advisers; or (3) advisers exempt from registration and reporting requirements. Registered investment advisers are required to file Form ADV and are also subject to other substantive requirements including the establishment of a compliance program and a Code of Ethics.[33] Exempt reporting advisers are required to file a subset of the information requested by Form ADV with the Commission but are not subject to many of the other substantive requirements to which registered investment advisers are subject. Finally, any adviser that solely advises SBICs is exempt from registering with the Commission under section 203(b)(7) of the Advisers Act and does not have an obligation to report information to the Commission.[34]

Prior to the enactment of the FAST Act, an adviser to both SBICs and other non-SBIC private funds qualified for the private fund adviser exemption under Advisers Act rule 203(m)–1 if the adviser had assets under management in the United States, including assets of the SBICs it advised, of less than $150 million. Advisers to SBICs and other non-SBIC private funds that did not qualify for the private fund adviser exemption were required to register with the Commission. In addition, advisers to both venture capital funds and SBICs were required to register with the Commission unless they qualified for the private fund adviser exemption.

In establishing a baseline for the amendments, two additional classes of investment advisers that did not advise SBICs prior to the FAST Act are relevant: (1) Advisers solely to venture capital funds that rely on the venture capital fund adviser exemption from registration and are considered exempt reporting advisers; and (2) advisers solely to private funds with less than $150 million in assets under management in the United States that rely on the private fund adviser exemption from registration and are considered exempt reporting advisers. Prior to the FAST Act, advisers relying on the venture capital fund adviser exemption were required to register with the Commission if they added SBIC clients unless their total assets under management remained under $150 million, in which case they could instead rely on the private fund adviser exemption. In addition, prior to the FAST Act, advisers relying on the private fund adviser exemption were required to register with the Commission if they added SBIC clients that caused their total assets under management in the United States to equal or exceed $150 million.

The FAST Act provided the classes of advisers discussed above with several options. First, registered investment advisers to SBICs and non-SBIC private funds can withdraw from registration and report to the Commission as exempt reporting advisers if their non-SBIC private fund assets under management in the United States are less than $150 million. Second, registered investment advisers to SBICs and venture capital funds can withdraw from registration and report to the Commission as exempt reporting advisers. Finally, advisers that relied on either the venture capital fund adviser or private fund adviser exemption prior to the FAST Act can begin advising SBICs without changing their registration status independent of the amount of assets attributable to SBICs.

For those advisers that benefit from any of the above options, it would have been in their best economic interest to exercise such options following the passage of the FAST Act, particularly after the Commission's Division of Investment Management issued a guidance update regarding the application of the FAST Act.[35] That guidance update indicated that the Commission's Division of Investment Management would not object to advisers who exclude the assets of the SBICs they advise when determining whether they qualify for the private fund adviser exemption or advisers who consider SBICs to be venture capital funds for the purposes of the venture capital fund adviser exemption.[36] We believe, therefore, that it is likely that advisers have already exercised these options if doing so was in their economic interest. However, inconsistencies in the definitions of venture capital funds and assets under management that exist between the Advisers Act rules and the FAST Act may be discouraging some advisers from exercising these options. Similarly, these inconsistencies may result in assets under management being calculated differently by advisers for purposes of the private fund adviser exemption, which could lead to similarly-situated advisers reaching different conclusions as to their reporting status.

As of June 30, 2017, there were approximately 12,474 registered investment advisers reporting a total of approximately $70.1 trillion in regulatory assets under management.[37] In addition, there were 3,332 exempt reporting advisers, of whom 623 relied on the venture capital fund adviser

[31] SBIC Program Overview *supra* footnote 5.

[32] *Id.*

[33] *Supra* footnote 10.

[34] *See supra* footnote 8.

[35] *See* Staff Guidance *supra* footnote 11.

[36] *Id.*

[37] We calculate these estimates using the last Form ADV filing for each adviser in the 15 months prior to July 1, 2017. This allows us to exclude advisers that are technically still registered with the Commission but have not filed a Form ADV for their most recent fiscal year. We use the same approach in calculating statistics for exempt reporting advisers. Our estimate of assets under management excludes filings that did not report this value so it should be considered a lower bound.

exemption,[38] 2,401 relied on the private fund adviser exemption,[39] and 308 qualified for both exemptions. For exempt reporting advisers that relied on the private fund adviser exemption, total private fund assets under management were approximately $235 billion.[40] Registered investment advisers advise approximately 34,343 private funds, while exempt reporting advisers advise approximately 12,562 private funds. As of June 30, 2017, there were 315 SBICs licensed by the SBA managing approximately $30 billion in assets.[41] We are unable to identify which of those 315 SBICs are managed by advisers solely to SBICs compared to advisers that also advise other funds because section 203(b)(7) of the Advisers Act exempts advisers solely to SBICs from registration and reporting, and filers of Form ADV are not required to explicitly indicate whether they advise SBICs. Because filers of Form ADV are not required to explicitly indicate whether they advise SBICs, we are not able to estimate the number of advisers that have already taken advantage of the exemptions afforded to them by the FAST Act compared to the number of advisers who have not done so due to any inconsistencies between the Advisers Act rules and the FAST Act.

The amendments may affect the classes of investment advisers mentioned above, the funds they advise, and the investors in those funds. We discuss the potential economic effects of the amendments on these parties in the next two sections.

B. Costs and Benefits

In this section, we discuss the costs and benefits that may result from the amendments for each affected party. The economic effects discussed in this section only apply to the extent that advisers have not already exercised the exemption options provided to them under the baseline due to any inconsistencies between the FAST Act and the Advisers Act rules. As discussed above, we believe that it is likely that advisers have already exercised any exemption options provided to them by the FAST Act under the baseline if it were in their interest to do so; thus, we do not expect the magnitude of these effects to be significant. We discuss the amendments' likely impact on efficiency, competition, and capital formation in the next section.

As discussed in the Economic Baseline Section, advisers solely to SBICs are exempt from registering as investment advisers with the Commission. To the extent that any inconsistencies between the FAST Act and Advisers Act rules 203(*l*)–1 and 203(m)–1 have discouraged advisers solely to SBICs from taking advantage of the venture capital fund adviser or private fund adviser exemptions, the amendments could lead these advisers to take on additional venture capital or private fund clients. Such advisers can weigh the additional fee revenue associated with advising non-SBIC private funds against the costs of reporting to the Commission as exempt reporting advisers when determining whether to rely on either of the exemptions. We estimate that the annual cost of filing Form ADV for an exempt reporting adviser is $916.[42] In addition, advisers that switch from exempt to exempt reporting status may incur indirect costs if the information they disclose on Form ADV, such as any disciplinary history, reduces investor demand for their advisory services. We are unable to estimate how many advisers solely to SBICs would choose to take on non-SBIC private funds as a result of the amendments because we do not have information on the demand for their advisory services from non-SBIC private funds or whether any additional business generated would offset these reporting costs. Furthermore, we cannot estimate the extent to which advisers solely to SBICs have been deterred from exercising their option to rely on the venture capital fund adviser and private fund adviser exemptions due to any inconsistencies between the FAST Act and the Advisers Act rules under the baseline.

The amendments provide registered advisers to SBICs and non-SBIC private funds that have not taken advantage of the venture capital fund adviser and private fund adviser exemptions due to inconsistencies between the FAST Act and the Advisers Act rules with clarification on the option to switch from registered investment adviser to exempt reporting adviser status. This option is difficult to value, but its value is broadly determined by the cost reductions associated with the change in registration status compared to the explicit and implicit costs of withdrawing from registration. Advisers that elect to change from registered to exempt reporting adviser status should expect to face reduced ongoing costs associated with filing Form ADV because, as exempt reporting advisers, they would only be required to complete certain portions of Form ADV.[43] We estimate the annual cost savings associated with filing Form ADV as an exempt reporting adviser instead of as a registered investment adviser to be $6,521.[44] Furthermore, such advisers would no longer bear the costs associated with the substantive requirements of being an adviser registered with the Commission.[45] Such advisers would incur the one-time cost of filing a Form ADV–W withdrawal, which we estimate to be $119 per full withdrawal and $13 per partial withdrawal.[46] They may also incur one-time operational costs associated with switching from registered to exempt reporting status, such as those associated with adapting information technology systems to a new reporting regime. Finally, to the extent that advisers benefit from marketing themselves as registered investment advisers to client funds and investors, they will forgo this benefit by withdrawing from registration. Because advisers are not required to rely on either of the exemptions in Advisers Act

[38] Form ADV, Part 1A, Item 2.B.(1).

[39] Form ADV, Part 1A, Item 2.B.(2).

[40] Form ADV, Schedule D, Section 2.B. We exclude filings that did not report this value from our calculation so it should be considered a lower bound. Advisers relying on the venture capital fund adviser exemption are not required to answer this question.

[41] *See* the *SBIC Quarterly Report* as of March, 31 2017, available at: *https://www.sba.gov/sites/default/files/articles/Quarterly_Data_as_of_June_30_2017.pdf.*

[42] *Form ADV under the Investment Advisers Act of 1940* (Office of Management and Budget ''OMB'' Control No. 3235–0049) Supporting Statement at footnotes 37–42 and accompanying text. The total aggregate annual monetized burden for exempt reporting advisers is estimated to be $2,976,632 assuming there are 3,248 such advisers, resulting in an estimated cost of approximately $916 per exempt reporting adviser. Similarly, the total aggregate annual monetized burden for registered investment advisers is estimated to be $89,427,727 assuming there are 12,024 such advisers, resulting in an estimated cost of approximately $7,437 per registered investment adviser.

[43] Exempt reporting advisers that are not also registering with any state securities authority must complete only the following Items of Form ADV, Part 1A: 1, 2, 3, 6, 7, 10, and 11, as well as corresponding schedules. Exempt reporting advisers that are registering with any state securities authority must complete all of Form ADV. *See* Form ADV FAQs *supra* footnote 9 at section entitled: *Reporting to the SEC as an Exempt Reporting Adviser;* General Instructions to Form ADV *supra* footnote 9 at Instruction 3.

[44] *See supra* footnote 42. The estimated annual cost of filing Form ADV as a registered investment adviser is approximately $7,437 and the estimated cost for an exempt reporting adviser is approximately $916.

[45] *See supra* footnote 10 for a more detailed list of these requirements.

[46] *Rule 203–2 and Form ADV–W under the Investment Advisers Act of 1940* (OMB Control No. 3235–0313) Supporting Statement at footnotes 7 and 9 and accompanying text. An adviser would file full withdrawal if it was only registered with the Commission. An adviser would file a partial withdrawal if it was required to remain registered with one or more States. *See* Form ADV FAQs *supra* footnote 9 at section entitled: *Form ADV–W.*

rules 203(*l*)–1 or 203(m)–1 even though they may qualify for them, we expect only those registered investment advisers that would experience a net benefit by relying on these exemptions and have not already done so following the FAST Act and subsequent Staff Guidance to withdraw from registration.[47]

Investors in private funds, including venture capital funds and SBICs, may experience costs and benefits as a result of the amendments. If investors face fixed costs in transacting with a given adviser, for example in performing any necessary due diligence, they may benefit if the amendments encourage more advisers to advise both SBIC and non-SBIC private funds, allowing investors to consolidate different types of investments with a single adviser. We cannot quantify the extent to which investors prefer to use a single adviser or the number of advisers who will expand into either SBICs or non-SBIC private funds because we do not have the information needed to assess investors' latent demand for consolidated advice services or the number of advisers that have been deterred from expanding their client bases under the baseline. We therefore cannot estimate the magnitude of this potential cost reduction for investors.

In addition, to the extent that the amendments result in advisers changing their status from registered to exempt reporting, it may impose costs on investors. If investors value the transparency provided by complete Form ADV reporting and the safeguards associated with the other substantive requirements of being a registered investment adviser, then the amendments could impose costs on investors if they result in advisers changing their status from registered to exempt reporting. However, such investors have the option of moving their investments to advisers that are registered and, as noted above, we expect that advisers will weigh the benefits and costs associated with remaining registered in connection with any change in reporting status. The amendments could also impose costs on investors if any reduction in transparency or the other substantive requirements associated with registration reduce the ability of the Commission to protect investors from potentially fraudulent investment advisory schemes.

[47] An adviser that qualifies for one of these exemptions can still choose to register with the Commission if it has sufficient assets under management. *See* Exemptions Release *supra* footnote 8 at footnote 24 and accompanying text.

C. Efficiency, Competition, and Capital Formation

As discussed above, because the amendments potentially reduce the reporting requirements for advisers to both SBICs and non-SBIC private funds, they could result in an increased number of advisers in both markets. Advisers solely to SBICs may enter the market for venture capital or other private fund advisory services, and current advisers to non-SBIC private funds may enter the market for SBIC advisory services. In this section, we discuss the potential effects of these changes on efficiency, competition, and capital formation. As was the case above, the economic effects discussed in this section only apply to the extent that advisers have not already exercised the exemption options provided to them under the baseline due to any inconsistencies between the FAST Act and the Advisers Act rules, and we do not expect the magnitude of these effects to be significant.

Changes in the costs of advising both SBIC and non-SBIC private funds, as described above, could have several competitive effects. First, to the extent that non-SBIC private fund advisers find it profitable to enter the market for SBICs under the amendments, the amendments might increase competition in that market, resulting in reduced profits for SBIC advisers and lower advisory fees for their SBICs and their investors. Similarly, to the extent that SBIC advisers find it profitable to enter the non-SBIC private fund advisory market, the amendments might increase competition in that market, resulting in reduced profits for non-SBIC private fund advisers and lower advisory fees for their non-SBIC private funds and their investors. Whether the amendments result in such a reallocation of advisory services depends on whether advisers find it profitable to expand operations into new markets and whether they can do so without changing the quality or quantity of services in current markets. While we cannot precisely estimate the relative likelihood of the above competitive effects, the fact that the market for SBIC advisers is an order of magnitude smaller than the market for non-SBIC private fund advisers suggests that non-SBIC private fund advisers are more likely to have benefitted from expanding into the SBIC market following the FAST Act's enactment, thereby increasing the amount of competition in that market. As discussed above, it is likely that most advisers would have already exercised this option under the baseline if it was in their economic interest to do so. Therefore, the competitive effects of the amendments are not likely to be significant.

Any relative shift of advisory talent from one segment of the market to another could also have effects on efficiency and capital formation. To the extent that advisers who expand into new markets as a result of the amendments possess skill in identifying investment opportunities, an increase in the supply of advisers in the SBIC or non-SBIC private fund markets, or both, could result in more efficient investment decisions and market prices that more accurately reflect the fundamental value of assets where applicable. Also, any increase in the number of advisers in the SBIC market could make more capital available to small businesses if the increased supply of SBIC advisers attracts more capital to that market. In addition, to the extent that there are economies of scale in the provision of advisory services, advisory services may be provided at lower aggregate cost if the amendments result in an expansion of advisers in either the SBIC or non-SBIC private fund market. To the extent that the amendments result in reduced transparency into advisers because they opt to switch from registered to exempt reporting status, and to the extent that investors rely on that transparency when making investment decisions, the amendments might cause a reduction in the efficiency of investor allocations to these advisers. Any reduction in transparency could also reduce the aggregate amount of capital managed by investment advisers if investors cannot find suitable registered investment advisers as replacements and these investors value transparency more than any benefits, such as potentially lower advisory fees, of the amendments. Finally, if the amendments increase the supply of investment advisers to SBICs and non-SBIC private funds, and these advisers attract assets that were not already invested in other markets, they may increase the aggregate amount of capital investment.

V. Paperwork Reduction Act Analysis

As discussed in the Proposing Release, we do not believe that the amendments to reflect changes made by the FAST Act make any substantive modifications to any existing collection of information requirements or impose any new substantive recordkeeping or information collection requirements

within the meaning of the Paperwork Reduction Act of 1995.[48]

The amendments to reflect the changes made by the FAST Act as described in Section II above may shift the number of advisers between each class of advisers as well as include advisers solely to SBICs that take on additional non-SBIC venture capital fund or private fund clients and therefore would become exempt reporting advisers.

We believe that the current burden and cost estimates for the existing collection of information requirements remain appropriate.[49] Thus, we believe that the amendments should not impose substantive new burdens on the overall population of respondents or affect the current overall burden estimates for the affected forms.[50] Accordingly, we are not revising any burden and cost estimates in connection with these amendments.

VI. Regulatory Flexibility Act Certification

The Commission certified, pursuant to section 605(b) of the Regulatory Flexibility Act of 1980[51] that the proposed amendments to Advisers Act rules 203(*l*)–1 and 203(m)–1, if adopted, would not have a significant economic impact on a substantial number of small entities.[52] We included this certification in Section V of the Proposing Release. Although we encouraged written comments regarding this certification, no commenters responded to this request.

VII. Statutory Authority

The Commission is amending rule 203(*l*)–1 under the authority set forth in sections 211(a) and 203(*l*) of the Advisers Act, (15 U.S.C. 80b–11(a) and 80b–3(*l*), respectively). The Commission is amending rule 203(m)–1 under the authority set forth in sections 211(a) and 203(m) of the Advisers Act (15 U.S.C. 80b–11(a) and 80b–3(m), respectively).

List of Subjects in 17 CFR Part 275

Reporting and recordkeeping requirements, Securities.

Text of Rule Amendments

For the reasons set forth in the preamble, the Commission amends title 17, chapter II of the Code of Federal Regulations as follows.

PART 275—RULES AND REGULATIONS, INVESTMENT ADVISERS ACT OF 1940

■ 1. The authority citation for part 275 continues to read, in part, as follows:

Authority: 15 U.S.C. 80b–2(a)(11)(G), 80b–2(a)(11)(H), 80b–2(a)(17), 80b–3, 80b–4, 80b–4a, 80b–6(4), 80b–6a, and 80b–11, unless otherwise noted.

* * * * *

■ 2. Amend § 275.203(l)–1 by revising the introductory text to paragraph (a) to read as follows:

§ 275.203(l)–1 Venture capital fund defined.

(a) *Venture capital fund defined.* For purposes of section 203(*l*) of the Act (15. U.S.C. 80b–3(l)), a venture capital fund is any entity described in subparagraph (A), (B), or (C) of section 203(b)(7) of the Act (15 U.S.C. 80b–3(b)(7)) (other than an entity that has elected to be regulated or is regulated as a business development company pursuant to section 54 of the Investment Company Act of 1940 (15 U.S.C. 80a–53)) or any private fund that:

* * * * *

■ 3. Amend § 275.203(m)–1 by revising paragraph (d)(1) to read as follows:

§ 275.203(m)–1 Private fund adviser exemption.

* * * * *

(d) * * *

(1) *Assets under management* means the regulatory assets under management as determined under Item 5.F of Form ADV (§ 279.1 of this chapter) except that the regulatory assets under management attributable to a private fund that is an entity described in subparagraph (A), (B), or (C) of section 203(b)(7) of the Act (15 U.S.C. 80b–3(b)(7)) (other than an entity that has elected to be regulated or is regulated as a business development company pursuant to section 54 of the Investment Company Act of 1940 (15 U.S.C. 80a–53)) shall be excluded from the definition of assets under management for purposes of this section.

* * * * *

By the Commission.

Dated: January 5, 2018.

Brent J. Fields,

Secretary.

[FR Doc. 2018–00299 Filed 1–10–18; 8:45 am]

BILLING CODE 8011–01–P

[48] 44 U.S.C. 3501 *et seq.*

[49] The most recent Paperwork Reduction Act analysis for Form ADV is based upon the number of registered advisers and exempt reporting advisers as of May 1, 2016. Because approximately five months had passed between the signing of the FAST Act and May 1, 2016, we believe that most of the advisers who wanted to change their registration status as a result of the FAST Act, did so in that five month period and are therefore included in the most recent Paperwork Reduction Act analysis for Form ADV. *Form ADV under the Investment Advisers Act of 1940* (OMB Control No. 3235–0049).

[50] *See* Section IV above. In the Proposing Release, we requested comment on whether our belief that the amendments would not impose substantive new burdens on the overall population of respondents or affect the current over all burden estimates for the affected forms was correct. We did not receive any responses to our request for comment.

[51] 5 U.S.C. 603(b).

[52] Under Commission rules, for the purposes of the Advisers Act and the Regulatory Flexibility Act, an investment adviser generally is a small entity if it: (i) Has assets under management having a total value of less than $25 million; (ii) did not have total assets of $5 million or more on the last day of its most recent fiscal year; and (iii) does not control, is not controlled by, and is not under common control with another investment adviser that has assets under management of $25 million or more, or any person (other than a natural person) that had total assets of $5 million or more on the last day of its most recent fiscal year. Rule 0–7(a) (17 CFR 275.0–7(a)).

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA–R01–OAR–2017–0266; FRL–9972–90–Region 1]

Air Plan Approval; NH; Approval of Recordkeeping and Reporting Requirements and Single Source Order; Withdrawal of Direct Final Rule

AGENCY: Environmental Protection Agency.

ACTION: Withdrawal of direct final rule.

SUMMARY: Due to the receipt of adverse comments, the Environmental Protection Agency (EPA) is withdrawing the November 14, 2017 direct final rule approving State Implementation Plan (SIP) revisions submitted by the State of New Hampshire. New Hampshire's SIP revisions modified existing recordkeeping and reporting requirements for sources of air pollution, and modified an existing order for Sturm Ruger & Company. This action is being taken in accordance with the Clean Air Act.

DATES: The direct final rule published at 82 FR 52664 on November 14, 2017 is withdrawn effective January 11, 2018.

FOR FURTHER INFORMATION CONTACT: Bob McConnell, Air Quality Planning Unit, U.S. Environmental Protection Agency, New England Regional Office, 5 Post Office Square, Suite 100 (Mail code OEP05–2), Boston, MA 02109—3912, telephone (617) 918–1046, facsimile (617) 918–0146, email: *mcconnell.robert@epa.gov.*

SUPPLEMENTARY INFORMATION: In the direct final rule, EPA stated that if adverse comments were submitted by December 14, 2017, the rule would be withdrawn and not take effect. EPA received adverse comments prior to the close of the comment period and,

therefore, is withdrawing the direct final rule. EPA will address the comments in a subsequent final action based upon the proposed rule also published on November 14, 2017 (82 FR 52683). EPA will not institute a second comment period on this action.

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Carbon monoxide, Incorporation by reference, Intergovernmental relations, Lead, Nitrogen dioxide, Ozone, Particulate matter, Regional haze, Reporting and recordkeeping requirements, Sulfur oxides, Volatile organic compounds.

Dated: December 22, 2017.

Kenneth Moraff,

Acting Regional Administrator, EPA New England.

■ Accordingly, the amendments to 40 CFR 52.1520 published on November 14, 2017 (82 FR 52664) are withdrawn effective January 11, 2018.

[FR Doc. 2018–00288 Filed 1–10–18; 8:45 am]

BILLING CODE 6560–50–P

GENERAL SERVICES ADMINISTRATION

41 CFR Part 105–70

[FPMR Case 2018–101–1; Docket No. 2018–0005; Sequence No. 1]

RIN 3090–AJ92

Program Fraud Civil Remedies Act of 1986, Civil Monetary Penalties Inflation Adjustment

AGENCY: Office of General Counsel, General Services Administration.

ACTION: Final rule.

SUMMARY: In accordance with the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Debt Collection Improvement Act of 1996 and further amended by the Federal Civil Penalties Inflation Adjustment Act Improvement Act of 2015, this final rule incorporates the penalty inflation adjustments for the civil monetary penalties set forth in the United States Code, as codified in our regulations.

DATES: *Effective:* February 12, 2018.

FOR FURTHER INFORMATION CONTACT: Ms. Jessica Hawkins, Assistant General Counsel, General Law Division (LG), General Services Administration, 1800 F Street NW, Washington DC 20405. Telephone Number 202–501–1460.

SUPPLEMENTARY INFORMATION:

I. The Debt Collection Improvement Act of 1996

To maintain the remedial impact of civil monetary penalties (CMPs) and to promote compliance with the law, the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101–410) was amended by the Debt Collection Improvement Act of 1996 (Pub. L. 104–134) to require Federal agencies to regularly adjust certain CMPs for inflation and further amended by the Federal Civil Penalties Inflation Adjustment Act Improvement Act of 2015 (Sec. 701 of Pub. L. 114–74). As amended, the law requires each agency to make an initial inflationary adjustment for all applicable CMPs, and to make further adjustments at least once every year thereafter for these penalty amounts. The Debt Collection Improvement Act of 1996 further stipulates that any resulting increases in a CMP due to the calculated inflation adjustments shall apply only to violations which occur after the date the increase takes effect, *i.e.,* thirty (30) days after date of publication in the **Federal Register**. Pursuant to the 2015 Act, agencies are required to adjust the level of the CMP with an initial ''catch up'', and make subsequent annual adjustments for inflation. Catch up adjustments are based on the percent change between the Consumer Price Index for Urban Consumers (CPI–U) for the month of October for the year of the previous adjustment, and the October 2015 CPI–U. Annual inflation adjustments will be based on the percent change between the October CPI–U preceding the date of adjustment and the prior year's October CPI–U.

II. The Program Fraud Civil Remedies Act of 1986

In 1986, sections 6103 and 6104 of the Omnibus Budget Reconciliation Act of 1986 (Pub. L. 99–501) set forth the Program Fraud Civil Remedies Act of 1986 (PFCRA). Specifically, this statute imposes a CMP and an assessment against any person who, with knowledge or reason to know, makes, submits, or presents a false, fictitious, or fraudulent claim or statement to the Government. The General Services Administration's regulations, published in the **Federal Register** (61 FR 246, December 20, 1996) and codified at 41 CFR part 105–70, set forth a CMP of up to $10,781 for each false claim or statement made to the agency. Based on the penalty amount inflation factor calculation, derived from originally dividing the June 2015 CPI by the June 1996 CPI and making the CPI-based annual adjustment thereafter, after rounding we are adjusting the maximum penalty amount for this CMP to $11,001 per violation.

III. Waiver of Proposed Rulemaking

In developing this final rule, we are waiving the usual notice of proposed rulemaking and public comment procedures set forth in the Administrative Procedure Act, 5 U.S.C. 553 (APA). The APA provides an exception to the notice and comment procedures when an agency finds there is good cause for dispensing with such procedures on the basis that they are impracticable, unnecessary or contrary to the public interest. We have determined that under 5 U.S.C. 553(b)(3)(B) good cause exists for dispensing with the notice of proposed rulemaking and public comment procedures for this rule. Specifically, this rulemaking comports and is consistent with the statutory authority set forth in the Debt Collection Improvement Act of 1996, with no issues of policy discretion. Accordingly, we believe that opportunity for prior comment is unnecessary and contrary to the public interest, and we are issuing these revised regulations as a final rule that will apply to all future cases under this authority.

IV. Executive Orders 12866 and 13563

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This is a not significant regulatory action and, therefore, was not subject to review under Section 6(b) of E.O. 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

The Office of Management and Budget (OMB) has reviewed this final rule in accordance with the provisions of E.O. 12866 and has determined that it does not meet the criteria for a significant regulatory action. As indicated above, the provisions contained in this final rulemaking set forth the inflation adjustments in compliance with the Debt Collection Improvement Act of 1996 for specific applicable CMPs. The great majority of individuals, organizations and entities addressed through these regulations do not engage

in such prohibited conduct, and as a result, we believe that any aggregate economic impact of these revised regulations will be minimal, affecting only those limited few who may engage in prohibited conduct in violation of the statute. As such, this final rule and the inflation adjustment contained therein should have no effect on Federal or state expenditures.

V. Regulatory Flexibility Act

The Administrator of General Services certifies that this final rule will not have a significant economic impact on a substantial number of small business entities. While some penalties may have an impact on small business entities, it is the nature of the violation and not the size of the entity that will result in an action by the agency, and the aggregate economic impact of this rulemaking on small business entities should be minimal, affecting only those few who have engaged in prohibited conduct in violation of statutory intent.

VI. Paperwork Reduction Act

This final rule imposes no new reporting or recordkeeping requirements necessitating clearance by OMB.

List of Subject in 41 CFR Part 105–70

Administrative hearing, Claims, Program fraud.

Dated: January 5, 2018.

Emily W. Murphy,

Administrator.

Accordingly, 41 CFR part 105–70 is amended as set forth below:

PART 105–70—IMPLEMENTATION OF THE PROGRAM FRAUD CIVIL REMEDIES ACT OF 1986

■ 1. The authority citation for part 105–70 is revised to read as follows:

Authority: 40 U.S.C. 121(c); 31 U.S.C. 3809.

* * * * *

§ 105–70.003 [Amended]

■ 2. Amend § 105–70.003 by—

■ a. Removing from paragraph (a)(1)(iv) the amount ''10,781'' and adding ''11,001'' in its place; and

■ b. Removing from paragraph (b)(1)(ii) the amount ''10,781'' and adding ''11,001'' in its place.

[FR Doc. 2018–00367 Filed 1–10–18; 8:45 am]

BILLING CODE 6820–81–P

FEDERAL MARITIME COMMISSION

46 CFR Part 506

[Docket No. 18–01]

RIN 3072–AC70

Inflation Adjustment of Civil Monetary Penalties

AGENCY: Federal Maritime Commission.

ACTION: Final rule.

SUMMARY: The Commission is publishing its adjustments to inflation annually, pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (2015 Act). The 2015 Act requires that agencies adjust and publish their civil penalties by January 15 each year.

DATES: This rule is effective on January 15, 2018.

FOR FURTHER INFORMATION CONTACT: Tyler Wood, General Counsel, Federal Maritime Commission, 800 North Capitol Street NW, Room 1018, Washington, DC 20573, (202) 523–5740.

SUPPLEMENTARY INFORMATION: This rule adjusts the civil monetary penalties assessable by the Commission in accordance with the 2015 Act, which became effective on November 2, 2015, Sec. 701 of Public Law 11–74. The 2015 Act further amended the Federal Civil Penalties Inflation Adjustment Act of 1990 (FCPIAA), Public Law 101–410, 104 Stat. 890 (codified as amended at 28 U.S.C. 2461 note), in order to improve the effectiveness of civil monetary penalties and to maintain their deterrent effect.

The 2015 Act requires agencies to adjust civil monetary penalties under their jurisdiction by January 15 each year, based on changes in the consumer price index (CPI–U) using data from October in the previous calendar year. On December 15, 2017, the Office of Management and Budget published guidance stating that the CPI–U multiplier for October 2017 is 1.02041.[1] In order to complete the adjustment for January 2018, agencies must multiply the most recent civil penalty amounts in 46 CFR part 506.

Rulemaking Analyses and Notices

Notice and Effective Date

Adjustments under the FCPIAA, as amended by the 2015 Act, are not subject to the procedural rulemaking requirements of the Administrative Procedure Act (APA) (5 U.S.C. 553), including the requirements for prior notice, an opportunity for comment, and a delay between the issuance of a final rule and its effective date.[2] As noted above, the 2015 Act requires that the Commission adjust its civil monetary penalties no later than January 15 of each year.

Congressional Review Act

The rule is not a ''major rule'' as defined by the Congressional Review Act, codified at 5 U.S.C. 801 *et seq.* The rule will not result in: (1) An annual effect on the economy of $100,000,000 or more; (2) a major increase in costs or prices; or (3) significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of United States-based companies to compete with foreign-based companies. 5 U.S.C. 804(2).

Regulatory Flexibility Act

The Regulatory Flexibility Act (codified as amended at 5 U.S.C. 601–612) provides that whenever an agency promulgates a final rule after being required to publish a notice of proposed rulemaking under the APA (5 U.S.C. 553), the agency must prepare and make available a final regulatory flexibility analysis (FRFA) describing the impact of the rule on small entities. 5 U.S.C. 604. As indicated above, this final rule is not subject to the APA's notice and comment requirements, and the Commission is not required to prepare an FRFA in conjunction with this final rule.

Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3521) requires an agency to seek and receive approval from the Office of Management and Budget (OMB) before collecting information from the public. 44 U.S.C. 3507. The agency must submit collections of information in rules to OMB in conjunction with the publication of the notice of proposed rulemaking. 5 CFR 1320.11. This final rule does not contain any collections of information, as defined by 44 U.S.C. 3502(3) and 5 CFR 1320.3(c).

Regulation Identifier Number

The Commission assigns a regulation identifier number (RIN) to each regulatory action listed in the Unified Agenda of Federal Regulatory and Deregulatory Actions (Unified Agenda). The Regulatory Information Service Center publishes the Unified Agenda in April and October of each year. You

[1] Office of Management and Budget, M–18–03, Implementation of Penalty Inflation Adjustments for 2018, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, at 1 (Dec. 15, 2017) (M–18–03).

[2] FCPIAA section 4(b)(2); M–17–11 at 2.

may use the RIN contained in the heading at the beginning of this document to find this action in the Unified Agenda, available at *http://www.reginfo.gov/public/do/eAgendaMain.*

List of Subjects in 46 CFR Part 506

Administrative practice and procedure, Penalties.

For the reasons stated in the preamble, part 506 of title 46 of the Code of Federal Regulations is amended as follows:

PART 506—CIVIL MONETARY PENALTY INFLATION ADJUSTMENT

■ 1. The authority citation for part 506 continues to read as follows:

Authority: 28 U.S.C. 2461.

■ 2. Amend § 506.4 by revising paragraph (d) to read as follows:

§ 506.4 Cost of living adjustments of civil monetary penalties.

* * * * *

(d) *Inflation adjustment.* Maximum civil monetary penalties within the jurisdiction of the Federal Maritime Commission are adjusted for inflation as follows:

United States Code citation	Civil monetary penalty description	Maximum penalty amount as of January 15, 2017	Maximum penalty as of January 15, 2018
46 U.S.C. 42304	Adverse impact on U.S. carriers by foreign shipping practices	2,011,061	2,052,107
46 U.S.C. 41107(a)	Knowing and Willful violation/Shipping Act of 1984, or Commission regulation or order.	57,391	58,562
46 U.S.C. 41107(b)	Violation of Shipping Act of 1984, Commission regulation or order, not knowing and willful.	11,478	11,712
46 U.S.C. 41108(b)	Operating in foreign commerce after tariff suspension	114,782	117,125
46 U.S.C. 42104	Failure to provide required reports, etc./Merchant Marine Act of 1920	9,054	9,239
46 U.S.C. 42106	Adverse shipping conditions/Merchant Marine Act of 1920	1,810,706	1,847,663
46 U.S.C. 42108	Operating after tariff or service contract suspension/Merchant Marine Act of 1920	90,535	92,383
46 U.S.C. 44102	Failure to establish financial responsibility for non-performance of transportation	22,868 762	23,335 778
46 U.S.C. 44103	Failure to establish financial responsibility for death or injury	22,868 762	23,335 778
31 U.S.C. 3802(a)(1)	Program Fraud Civil Remedies Act/makes false claim	10,957	11,181
31 U.S.C. 3802(a)(2)	Program Fraud Civil Remedies Act/giving false statement	10,957	11,181

By the Commission.

Rachel E. Dickon,

Assistant Secretary.

[FR Doc. 2018–00319 Filed 1–10–18; 8:45 am]

BILLING CODE 6731–AA–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 622

[Docket No. 170324313–7999–02]

RIN 0648–BG77

Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Snapper-Grouper Fishery of the South Atlantic Region; Amendment 41

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Final rule.

SUMMARY: NMFS implements management measures described in Amendment 41 to the Fishery Management Plan for the Snapper-Grouper Fishery of the South Atlantic Region (Snapper-Grouper FMP), as prepared and submitted by the South Atlantic Fishery Management Council (South Atlantic Council). This final rule revises commercial and recreational annual catch limits (ACLs), the minimum size limit, commercial trip limits, and the recreational bag limit for mutton snapper in the South Atlantic based on the results of the most recent stock assessment update. The purpose of this final rule is to ensure that mutton snapper is managed based on the best scientific information available to achieve optimum yield (OY) and to prevent overfishing, while minimizing adverse social and economic effects to the extent practicable.

DATES: This final rule is effective on February 10, 2018.

ADDRESSES: Electronic copies of Amendment 41 may be obtained from *www.regulations.gov* or the Southeast Regional Office website at *http://http://sero.nmfs.noaa.gov/sustainable_fisheries/s_atl/sg/2016/am41/index.html.* Amendment 41 includes an environmental assessment, regulatory impact review, Regulatory Flexibility Act (RFA) analysis, and fishery impact statement.

FOR FURTHER INFORMATION CONTACT: Mary Vara, NMFS Southeast Regional Office, telephone: 727–824–5305, or email: *mary.vara@noaa.gov.*

SUPPLEMENTARY INFORMATION: The snapper-grouper fishery in the South Atlantic region includes mutton snapper and is managed under the Snapper-Grouper FMP. The Snapper-Grouper FMP was prepared by the South Atlantic Council and is implemented by NMFS through regulations at 50 CFR part 622 under the authority of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act).

On September 26, 2017, NMFS published the notice of availability for Amendment 41 in the **Federal Register** and requested public comment (82 FR 44756). On October 24, 2017, NMFS published a proposed rule for Amendment 41 in the **Federal Register** and requested public comment (82 FR 49167). Amendment 41 and the proposed rule outline the rationale for the actions contained in this final rule. A summary of the management measures described in Amendment 41 and implemented by this final rule is provided below.

Management Measures Contained in This Final Rule

This final rule revises the mutton snapper ACLs for the commercial and recreational sectors in the South Atlantic, increases the minimum size limit for mutton snapper in the commercial and recreational sectors, and modifies the commercial trip limit and the recreational bag limit. Unless

otherwise noted, all weights described in this final rule are in round weight.

Commercial and Recreational ACLs

The 2015 updated stock assessment for mutton snapper in the South Atlantic and Gulf of Mexico (Southeast Data, Assessment, and Review (SEDAR) 15A Update) concluded that the mutton snapper stock in the South Atlantic and Gulf of Mexico (Gulf) is neither overfished nor undergoing overfishing. The South Atlantic Council's and Gulf of Mexico Fishery Management Council's (Gulf Council) Scientific and Statistical Committees (SSCs) reviewed the assessment and provided an acceptable biological catch (ABC) recommendation to their Councils. The ABC for the mutton snapper stock in the South Atlantic and Gulf is apportioned between the South Atlantic Council and the Gulf Council in the Snapper-Grouper FMP and the FMP for the Reef Fish Resources of the Gulf of Mexico. The South Atlantic Council set their portion of the ABC for mutton snapper equal to the OY and the total ACL. The South Atlantic Council then further allocated the total ACL between the commercial sector (17.02 percent) and recreational sector (82.98 percent). The catch reference points and sector allocations for South Atlantic mutton snapper were implemented by the final rule for the South Atlantic Council's Comprehensive ACL Amendment (77 FR 15916, March 16, 2012).

Amendment 41 and this final rule revise the ABC and the commercial and recreational mutton snapper ACLs in the South Atlantic for the 2017 through the 2020 and subsequent fishing years, consistent with the existing apportionment of the ABC between the South Atlantic Council and Gulf Council, and the existing sector allocations of the total ACL in the South Atlantic.

As described in Amendment 41, the South Atlantic Council's SSC recommended that the South Atlantic portion of the ABC be specified in numbers of fish, based on landing projections from the SEDAR 15A Update. The South Atlantic Council agreed with this recommendation for the ABC, but specified the commercial ACL in pounds and the recreational ACL in numbers of fish because commercial landings are already tracked in pounds, while recreational landings are tracked in numbers of fish. In addition, because this final rule increases the minimum size limit for mutton snapper, the South Atlantic Council was concerned that specifying the recreational ACL in pounds could increase the risk of exceeding the recreational ACL if the method for converting the ACL in numbers to pounds does not sufficiently address the change in average weight of larger, heavier fish. Therefore, the South Atlantic Council determined that there would be a reduced risk of exceeding the recreational ACL as a result of an increase in the minimum size limit if the ABC and recreational ACL were specified in numbers of fish. As a reference for comparing numbers of fish to pounds of fish, the average weight of a recreationally harvested mutton snapper in 2017 is approximately 4.2 lb (1.9 kg) per fish. The average weight of a commercially harvested mutton snapper is 7.68 lb (3.5 kg) per fish.

To determine the commercial ACL in pounds, the commercial sector allocation of 17.02 percent was applied to the total ACL in pounds (which equals the South Atlantic portion of the mutton snapper ABC). The commercial ACLs for mutton snapper will be 100,015 lb (45,366 kg) for 2017, 104,231 lb (47,278 kg) for 2018, 107,981 lb (48,979 kg) for 2019, and 111,354 lb (50,509 kg) for 2020 and subsequent fishing years.

To determine the recreational ACL in numbers, the recreational sector ACL of 82.98 percent was applied to the total ACL in pounds. That value was divided by approximately 4.2 lb (1.9 kg) per fish to determine the recreational ACL in numbers of fish. The recreational ACLs for mutton snapper will be 116,127 fish for 2017, 121,318 fish for 2018, 124,766 fish for 2019, and 127,115 fish for 2020 and subsequent fishing years.

The South Atlantic portion of the mutton snapper ABC (equal to the total ACL) in numbers of fish is the sum of the commercial and recreational ACLs in numbers of fish. To determine the ABC in numbers of fish, the commercial ACL in pounds was divided by 7.68 lb (3.5 kg) per fish and added to the recreational ACL in numbers. Based on results from the SEDAR 15A Update and ABC recommendations from the South Atlantic and Gulf Councils' SSCs, Amendment 41 decreases the ABC for mutton snapper in the South Atlantic to 129,150 fish for the 2017 fishing year, 134,890 fish for 2018, 138,826 fish for 2019, and 141,614 fish for 2020 and subsequent fishing years.

Minimum Size Limit

This final rule increases the minimum size limit from 16 inches (40.6 cm), total length (TL), to 18 inches (45.7 cm), TL. Recent scientific information indicates that the size at which 50 percent of mutton snapper are sexually mature is 16 inches (40.6 cm), TL, for males and 18 inches (45.7 cm), TL, for females. Increasing the minimum size limit to 18 inches (45.7 cm), TL, allows more individual mutton snapper to reach reproductive maturity before being susceptible to harvest, and is also projected to increase the average size and the corresponding average weight of fish harvested.

Commercial Trip Limits

This final rule replaces the previous seasonal harvest limitation (equivalent to a commercial trip limit) for the commercial sector each year in May and June, and implements commercial trip limits for the purposes of maintaining a year-round commercial fishing season and reducing harvest on mutton snapper when they aggregate to spawn. During the mutton snapper spawning months of April through June, this final rule establishes a commercial trip limit of 5 fish per person per day or 5 fish per person per trip, whichever is more restrictive, for the possession of mutton snapper in or from the exclusive economic zone on board a vessel that has a Federal commercial permit for South Atlantic snapper-grouper. For the remainder of the year (January through March and July through December), this final rule establishes a 500-lb (227-kg) commercial trip limit.

Recreational Bag Limit

Through this final rule, mutton snapper remains within the existing 10-snapper aggregate recreational bag limit in the South Atlantic, but a reduced recreational bag limit of 5 mutton snapper per person per day applies within the overall 10-snapper aggregate bag limit, year-round. The bag limit is reduced for the purposes of maintaining a year-round recreational fishing season and reducing harvest on mutton snapper spawning aggregations.

Management Measures Contained in Amendment 41 but Not Codified Through This Final Rule

In addition to the management measures codified through this final rule, and the ABC that was previously described, Amendment 41 specifies the maximum sustainable yield (MSY), minimum stock size threshold (MSST), and recreational annual catch targets (ACTs) for mutton snapper, as well as designating spawning months.

Maximum Sustainable Yield and Minimum Stock Size Threshold

Amendment 41 changes the MSY definition to the yield produced by the fishing mortality rate at MSY (F_{MSY}) or the F_{MSY} proxy (where F equals fishing mortality that, if applied constantly, would achieve MSY under equilibrium

conditions), with the MSY and F_{MSY} proxy recommended by the SEDAR 15A Update. The F_{MSY} proxy is $F_{30\%SPR}$, or the fishing mortality that will produce a static spawning per recruit equal to 30 percent. The MSY definition in Amendment 41, allows future MSY numerical values to be updated following a stock assessment, SSC review and recommendation, and acceptance of that recommendation by the South Atlantic Council. Based on the SEDAR 15A Update and the new MSY definition, the resulting MSY for mutton snapper in the South Atlantic is 912,500 lb (413,903 kg).

Amendment 41 changes the MSST definition to 75 percent of the spawning stock biomass at MSY, which results in an MSST of 3,486,900 lb (1,581,631 kg). The SEDAR 15A Update estimated the natural mortality for mutton snapper at 0.17, and the MSST for mutton snapper in Amendment 41 is consistent with how the South Atlantic Council has defined MSST for other snapper-grouper stocks with similarly low natural mortality estimates.

Recreational ACTs

For mutton snapper in the South Atlantic, Amendment 41 specifies a revised recreational ACT (equal to 85 percent of the recreational ACL) of 98,708 fish for 2017. The recreational ACT is 103,121 fish for 2018, 106,051 fish for 2019, and 108,048 fish for 2020 and subsequent fishing years. NMFS notes that the revised recreational ACTs are used only for monitoring purposes and do not trigger a recreational accountability measure.

Spawning Months

Amendment 41 designates April through June as ''spawning months'' for mutton snapper in the South Atlantic. The rest of the year is the ''regular season.'' To protect spawning fish during April through June each year, the commercial trip limits apply to vessels with a Federal commercial permit for South Atlantic snapper-grouper. The South Atlantic Council considered additional recreational management measures specific to the spawning months but chose to reduce the bag limit year-round instead.

Comments and Responses

NMFS received 10 comments from individuals, commercial, private recreational, and charter vessel/headboat (for-hire) recreational fishing entities during the public comment period on the notice of availability and proposed rule for Amendment 41. Eight of the comments were in support of the actions in the proposed rule, with commenters specifically citing the increase in the minimum size limit to 18 inches (45.7 cm), TL, and the reduced recreational bag limit of 5 fish per person per day within the 10-snapper aggregate bag limit. Comments that were beyond the scope of the proposed rule and comments that agreed with the proposed actions are not responded to in this final rule. Comments that specifically relate to the actions contained in Amendment 41 and the proposed rule, as well as NMFS' respective responses, are summarized below.

Comment 1: NMFS should not reduce the commercial trip limit to 5 fish per person or per trip during the spawning months of April through June, because it is too restrictive and economically burdensome. The commercial sector will not meet its ACL under current regulations, and instead a commercial trip limit of 25 or 30 fish per vessel should be implemented to limit commercial harvest.

Response: NMFS disagrees. Although mutton snapper is not overfished and is not undergoing overfishing, and commercial landings have not reached the commercial ACL in recent years, the SEDAR 15A Update, completed in 2015, concluded that the mutton snapper population is smaller than estimated in the original mutton snapper stock assessment, completed in 2008 (SEDAR 15A). Because the population is smaller, the South Atlantic and Gulf Councils' SSCs recommended a lower ABC. The Councils agreed with their SSCs' recommendation, and this final rule modifies management measures in the South Atlantic consistent with that lower ABC, including restricting commercial harvest during the critical spawning months for mutton snapper to 5 fish per person per day or per trip, whichever is more restrictive, during April through June each year. Furthermore, stakeholders and law enforcement personnel have stated their concerns to the South Atlantic Council about overexploitation of mutton snapper when the species is aggregated to spawn. The Florida Fish and Wildlife Conservation Commission (FWC) has received similar comments. Therefore, the South Atlantic Council also coordinated with the FWC to develop compatible regulations for mutton snapper in Florida state waters on the Atlantic coast and Federal waters to address those concerns and benefit the mutton snapper resource. The FWC has also adopted this change in their regulations for mutton snapper in Florida state waters on the Atlantic coast.

The South Atlantic Council did not consider a commercial trip limit of 25 or 30 fish per vessel during April through June each year in Amendment 41. Prior to this final rule, commercial harvest was limited to 10 mutton snapper per person per day or per trip during the May and June spawning season and no trip limit during April. In Amendment 41, the South Atlantic Council considered commercial trip limit alternatives ranging from no commercial retention to 5 fish per person per day or per trip, whichever was more restrictive, or 10 to 12 fish per vessel per day during the spawning months of April through June. The commercial trip limits implemented by this final rule will restrict commercial harvest during these critical spawning months for mutton snapper, and will also be similar to the recreational bag limit during the spawning months. Furthermore, the South Atlantic Council and NMFS determined that reducing the commercial trip limit to 5 fish per person or per trip during April through June each year, along with the other management measures in this final rule, best meet the purpose to ensure that mutton snapper is managed based on the best scientific information available to achieve and maintain OY, and to prevent overfishing, while minimizing adverse social and economic effects to the extent practicable.

From 2010 through 2014, the average commercial trip that landed mutton snapper harvested less than 5 mutton snapper per person per trip, and that average does not change when including logbook data collected by the NMFS Southeast Fisheries Science Center from landings and trips during 2015 and 2016. NMFS acknowledges that a business with a vessel that has landed more than 5 mutton snapper per person per trip during April through June could experience adverse economic impacts from the spawning season commercial trip limit, especially if that business has a history of intensifying effort during the spawning months. The fleet-wide decrease in ex-vessel value of mutton snapper landings expected to occur as a result of the 5 mutton snapper per person per trip limit during April through June is estimated to be $23,567. Additionally, the reduction of the commercial trip limit during the spawning months from April through June, in combination with the 18-inch (46-cm), TL, minimum size limit would be biologically beneficial by reducing harvest and fishing mortality when the species is aggregated to spawn and most vulnerable to harvest. These measures are necessary to prevent harvest from

exceeding the commercial ACL in the future and improve economic benefits from the resource in the long-term.

Comment 2: The bag limit should be reduced to 2 or 3 fish per person per day instead of the 5 fish per person or per trip recreational limit, whichever is more restrictive.

Response: The South Atlantic Council considered a number of specific bag limit alternatives for mutton snapper, ranging from no retention to 12 mutton snapper per vessel per day during the spawning months. The recreational data from the Marine Recreational Information Program (MRIP) and the NMFS Southeast Region Headboat Survey during 2010 through 2014 show that most recreational fishermen (private and for-hire) in the South Atlantic region harvested 3 or fewer mutton snapper per day on recreational trips, year-round.

Limiting the harvest of mutton snapper during the spawning season through recreational bag limits is expected to be beneficial to mutton snapper, because they form spawning aggregations, which are particularly vulnerable to fishing pressure. The South Atlantic Council examined the effect of various bag or vessel limits and minimum size limit combinations in limiting recreational harvest of mutton snapper during the spawning months, regular season, and year-round. The analyses indicated that changes to the recreational bag limit would have little effect in constraining recreational harvest without additional measures being implemented.

The South Atlantic Council determined that a minimum size limit greater than the previous minimum size limit of 16 inches (41 cm), TL, in addition to a bag limit of 5 fish per person or per trip, whichever is more restrictive, would reduce year-round recreational harvest by approximately 50 percent. The increased minimum size limit and reduced recreational bag limit implemented by this final rule would also control the level of fishing mortality during the spawning season, without changing the expected level of discards. Additionally, setting the bag limit at 1, 2, or 3 fish per person per day would be expected to have larger and unnecessary negative economic effects, since mutton snapper are not currently undergoing overfishing and are not considered to be overfished.

Therefore, the South Atlantic Council determined that a recreational bag limit of 5 mutton snapper per person per day year-round within the existing 10-snapper aggregate bag limit, combined with the 18-inch (45.7-cm), TL, minimum size limit implemented through this final rule, will make regulations for mutton snapper more consistent in state and Federal waters, address stakeholder concerns regarding overexploitation of the stock, benefit the mutton snapper resource by reducing harvest on spawning aggregations, and extend the recreational fishing season.

Comment 3: The commercial sector should have its ACL and trip limits reduced proportionally to align with the reductions being implemented for the recreational sector.

Response: The current sector allocations for mutton are 17.02 percent commercial and 82.98 percent recreational, and the South Atlantic Council revised management measures for each sector in Amendment 41 and this final rule. The SEDAR 15A Update concluded that the mutton snapper population is smaller than estimated in the original mutton snapper stock assessment, SEDAR 15A, and the SEDAR 15A Update resulted in lower biological reference point values and fishing level projections than those from SEDAR 15A. As a result, the South Atlantic Council chose a lower ABC for mutton snapper and modified existing management measures in both the commercial and recreational sectors to be consistent with that lower ABC. The ABC for mutton snapper in the South Atlantic initially decreases from previous levels beginning in 2017, and then increases annually through 2020, and then remains in effect at the 2020 level until subsequently modified by the South Atlantic Council.

The OY and total ACL are set equal to the South Atlantic portion of the mutton snapper ABC, and similar to the ABC values, in 2017, the commercial and recreational ACLs initially decrease proportionally from previous levels, and then the sector ACLs will gradually increase proportionally through 2020, and remain at the 2020 levels until modified by the South Atlantic Council. This final rule also increases the minimum size limit for South Atlantic mutton snapper for both the commercial and recreational sectors to 18 inches (45.7 cm), TL. The South Atlantic Council determined that increasing the minimum size limit for both sectors is the most effective change to management measures needed to achieve the reduction in overall harvest and maintain landings within the total ACL implemented by this final rule.

Amendment 41 designates April through June as spawning months for management purposes in both sectors. The rest of the year is the regular season. Prior to this final rule, the possession limit for the commercial sector was 10 per person per day or per trip, whichever was more restrictive, only during May and June each year. This final rule implements a 500-lb (227-kg) commercial trip limit during the regular season, and a limit of 5 fish per person per day or per trip, whichever is more restrictive, during the spawning months of April through June. Prior to this final rule, the recreational bag limit for mutton snapper was 10 fish within the 10-snapper aggregate bag limit. This final rule implements a recreational bag limit of 5 fish per person per day within the 10-snapper aggregate bag limit, year-round. The revised management measures implemented by this final rule for both the commercial and recreational sectors will limit harvest of mutton snapper during the spawning months of April through June each year, as well as year-round, while meeting the objectives of the Snapper-Grouper FMP.

Amendment 41 and the measures implemented by this final rule are based on the best scientific information available and will effectively achieve and maintain OY and prevent overfishing while minimizing, to the extent practicable, adverse social and economic effects.

Comment 4: The harvest of mutton snapper should be prohibited during the spawning season, so fish have time to reproduce before they are caught.

Response: In Amendment 41, the South Atlantic Council evaluated numerous alternatives for commercial trip limits, and recreational bag and vessel limits, including no retention of mutton snapper during spawning months for the commercial and recreational sectors. The South Atlantic Council determined that choosing the no retention alternative was unnecessary. Prohibiting harvest during the spawning months would be biologically beneficial to the mutton snapper stock, since fish would not be subject to fishing mortality while they are in spawning condition. However, as stated in the response to *Comment 1,* mutton snapper is not overfished and is not undergoing overfishing. Prohibiting harvest during April through June each year was the most restrictive alternative considered by the South Atlantic Council and it would have resulted in the greatest negative socio-economic effects. In addition, recent commercial and recreational landings have been highest during the spawning months, on average, so prohibiting all harvest during these months could result in increased regulatory discards of mutton snapper when fishermen target other snapper-grouper species. Additionally, through Amendment 41, the South Atlantic Council coordinated with the

FWC to develop and recommend compatible regulations for mutton snapper in Florida state waters and Federal waters in the South Atlantic that address stakeholder concerns about the overexploitation of mutton snapper during spawning aggregations, and benefit the mutton snapper resource.

Comment 5: The 2015 assessment of mutton snapper indicated that the mutton snapper stock is not overfished or undergoing overfishing; therefore, the final rule should not be implemented.

Response: NMFS disagrees. Amendment 41 and this final rule respond to the SEDAR 15A Update, which NMFS has determined is the best scientific information available. While the SEDAR 15A Update indicated that the mutton snapper stock is neither overfished nor undergoing overfishing, improvements to the modeling approach indicated that the population size is smaller than previously estimated. Amendment 41 and this final rule update the ABC, MSST, MSY, OY, ACL, and revise management measures for mutton snapper, based on the results of the SEDAR 15A Update.

Additionally, as stated in the response to *Comment 4,* there is stakeholder concern about fishing effort on mutton snapper spawning aggregations despite the healthy status of the mutton snapper stock, and this final rule implements additional protections for mutton snapper during the spawning season and year-round. As explained in the response to *Comment 1,* these management measures are needed to maintain sustainable harvest levels and economic benefits in the long-term.

Classification

The Regional Administrator for the NMFS Southeast Region has determined that this final rule is consistent with Amendment 41, the Snapper-Grouper FMP, the Magnuson-Stevens Act, and other applicable law.

This final rule has been determined to be not significant for purposes of Executive Order 12866.

The Magnuson-Stevens Act provides the statutory basis for this rule. No duplicative, overlapping, or conflicting Federal rules have been identified. In addition, no new reporting, record-keeping, or other compliance requirements are introduced by this final rule.

The Chief Counsel for Regulation of the Department of Commerce certified to the Chief Counsel for Advocacy of the Small Business Administration during the proposed rule stage that this rule would not have a significant adverse economic impact on a substantial number of small entities. The factual basis for this determination was published in the proposed rule and is not repeated here. No changes to this final rule were made in response to public comments. As a result, a final regulatory flexibility analysis was not required and none was prepared.

NMFS did not receive any comments specific to the certification that there would not be a significant economic impact on a substantial number of small entities. However, NMFS received one public comment related to the economic impact of the commercial trip limit reduction to 5 mutton snapper per person per day or per trip, whichever is more restrictive, during the mutton snapper spawning months of April through June. That comment, also addressed in *Comment 1* of the Comments and Responses section, stated the commercial trip limit reduction would be too restrictive and economically burdensome. Prior to this final rule, there was a commercial trip limit of 10 mutton snapper per person per day or per trip, whichever was more restrictive, during May and June each year, and no trip limit in April. From 2010 through 2014, the average commercial trip that landed mutton snapper harvested less than 5 mutton snapper per person per trip, and that figure does not change when landings and trips from 2015 through 2016 are included. NMFS acknowledges that a business with a vessel that has landed more than 5 mutton snapper per person during a trip in April through June could experience adverse economic impacts from the commercial trip limit in this final rule, especially if that business has a history of increased effort during these spawning months. However, that would not change the determination that this rule will not have a significant adverse economic impact on a substantial number of small entities.

List of Subjects in 50 CFR Part 622

Fisheries, Fishing, Mutton snapper, South Atlantic.

Dated: January 5, 2018.

Samuel D. Rauch, III,

Deputy Assistant Administrator for Regulatory Programs, National Marine Fisheries Service.

For the reasons set out in the preamble, 50 CFR part 622 is amended as follows:

PART 622—FISHERIES OF THE CARIBBEAN, GULF OF MEXICO, AND SOUTH ATLANTIC

■ 1. The authority citation for part 622 continues to read as follows:

Authority: 16 U.S.C. 1801 *et seq.*

§ 622.184 [Amended]

■ 2. In § 622.184, remove and reserve paragraph (b).

■ 3. In § 622.185, revise paragraph (a)(4) to read as follows:

§ 622.185 Size limits.

* * * * *

(a) * * *

(4) *Mutton snapper*—18 inches (45.7 cm), TL.

* * * * *

■ 4. In § 622.187, revise paragraph (b)(4) to read as follows:

§ 622.187 Bag and possession limits.

* * * * *

(b) * * *

(4) *Snappers, combined*—10.

(i) Within the 10-fish bag limit, no more than 5 fish may be mutton snapper.

(ii) Excluded from this 10-fish bag limit are cubera snapper, measuring 30 inches (76.2 cm), TL, or larger, in the South Atlantic off Florida, and red snapper and vermilion snapper. (See § 622.181(b)(2) for the prohibitions on harvest or possession of red snapper, except during a limited recreational fishing season, and § 622.181(c)(1) for limitations on cubera snapper measuring 30 inches (76.2 cm), TL, or larger, in or from the South Atlantic EEZ off Florida.)

* * * * *

■ 5. In § 622.191, add paragraph (a)(13) to read as follows:

§ 622.191 Commercial trip limits.

* * * * *

(a) * * *

(13) *Mutton snapper.* The following commercial trip limits apply until the applicable commercial ACL in § 622.193(o)(1)(iii) is reached. See § 622.193(o)(1) for the limitations regarding mutton snapper after the commercial ACL is reached.

(i) From January 1 through March 31, and July 1 through December 31—500 lb (227 kg), round weight.

(ii) From April 1 through June 30—5 fish per person per day or 5 fish per person per trip, whichever is more restrictive.

* * * * *

■ 7. In § 622.193, revise paragraph (o) to read as follows:

§ 622.193 Annual catch limits (ACLs), annual catch targets (ACTs), and accountability measures (AMs).

* * * * *

(o) *Mutton snapper*—(1) *Commercial sector.* (i) If commercial landings for

mutton snapper, as estimated by the SRD, reach or are projected to reach the applicable commercial ACL specified in paragraph (o)(1)(iii) of this section, the AA will file a notification with the Office of the Federal Register to close the commercial sector for the remainder of the fishing year. On and after the effective date of such a notification, all sale or purchase of mutton snapper is prohibited and harvest or possession of mutton snapper in or from the South Atlantic EEZ is limited to the bag and possession limits. These bag and possession limits apply in the South Atlantic on board a vessel for which a valid Federal commercial or charter vessel/headboat permit for South Atlantic snapper-grouper has been issued, without regard to where such species were harvested, *i.e.,* in state or Federal waters.

(ii) If commercial landings for mutton snapper, as estimated by the SRD, exceed the applicable commercial ACL specified in paragraph (o)(1)(iii) of this section, and the applicable combined commercial and recreational ACL specified in paragraph (o)(3) of this section is exceeded during the same fishing year, and the species is overfished based on the most recent Status of U.S. Fisheries Report to Congress, the AA will file a notification with the Office of the Federal Register to reduce the commercial ACL in the following fishing year by the amount of the commercial ACL overage in the prior fishing year.

(iii) The commercial ACLs for the following fishing years are given in round weight. For 2017—100,015 lb (45,366 kg); for 2018—104,231 lb (47,278 kg); for 2019—107,981 lb (48,979 kg); for 2020 and subsequent fishing years—111,354 lb (50,509 kg).

(2) *Recreational sector.* (i) If recreational landings for mutton snapper, as estimated by the SRD, reach or are projected to reach the applicable recreational ACL specified in paragraph (o)(2)(iii) of this section, the AA will file a notification with the Office of the Federal Register to close the recreational sector for the remainder of the fishing year regardless if the stock is overfished, unless NMFS determines that no closure is necessary based on the best scientific information available. On and after the effective date of such a notification, the bag and possession limits for mutton snapper in or from the South Atlantic EEZ are zero.

(ii) If recreational landings for mutton snapper, as estimated by the SRD, exceed the applicable recreational ACL specified in paragraph (o)(2)(iii) of this section, then during the following fishing year recreational landings will be monitored for a persistence in increased landings, and if necessary, the AA will file a notification with the Office of the Federal Register to reduce the length of the recreational fishing season and the recreational ACL by the amount of the recreational ACL overage, if the species is overfished based on the most recent Status of U.S. Fisheries Report to Congress, and if the applicable combined commercial and recreational ACL specified in paragraph (o)(3) of this section is exceeded during the same fishing year. NMFS will use the best scientific information available to determine if reducing the length of the recreational fishing season and recreational ACL is necessary. When the recreational sector is closed as a result of NMFS reducing the length of the recreational fishing season and ACL, the bag and possession limits for mutton snapper in or from the South Atlantic EEZ are zero.

(iii) The recreational ACLs for the following fishing years are given in numbers of fish. For 2017—116,127; for 2018—121,318; for 2019—124,766; for 2020 and subsequent fishing years—127,115.

(3) *Combined commercial and recreational ACL.* The combined commercial and recreational ACLs for the following fishing years are given in round weight. For 2017—587,633 lb (266,546 kg); for 2018—612,401 lb (277,780 kg); for 2019—634,435 lb (287,775 kg); for 2020 and subsequent fishing years—654,257 lb (296,766 kg).

* * * * *

[FR Doc. 2018–00313 Filed 1–10–18; 8:45 am]

BILLING CODE 3510–22–P

Proposed Rules

Federal Register

Vol. 83, No. 8

Thursday, January 11, 2018

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2018–0003; Directorate Identifier 2017–CE–033–AD]

RIN 2120–AA64

Airworthiness Directives; American Champion Aircraft Corp.

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: We propose to supersede Airworthiness Directive (AD) 2017–07–10, which applies to certain American Champion Aircraft Corp. (ACAC) Model 8KCAB airplanes. AD 2017–07–10 requires fabrication and installation of a placard to prohibit aerobatic flight, inspection of the aileron hinge rib and support, and a reporting requirement of the inspection results to the FAA. This AD was prompted by a report of a cracked hinge support and cracked hinge ribs, which resulted in partial loss of control with the aileron binding against the cove. Since we issued AD 2017–07–10, ACAC redesigned the aileron hinge supports with a reinforcement kit to strengthen the supports and prevent future damage from developing. This proposed AD would require repetitive inspections of the aileron hinge support, installation of the aileron hinge support reinforcement kit, and incorporation of revised pages into the service manual. We are proposing this AD to address the unsafe condition on these products.

DATES: We must receive comments on this proposed AD by February 26, 2018.

ADDRESSES: You may send comments, using the procedures found in 14 CFR 11.43 and 11.45, by any of the following methods:

- *Federal eRulemaking Portal:* Go to *http://www.regulations.gov*. Follow the instructions for submitting comments.
- *Fax:* 202–493–2251.
- *Mail:* U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590.
- *Hand Delivery:* Deliver to Mail address above between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

For service information identified in this NPRM, contact American Champion Aircraft Corp., P.O. Box 37, 32032 Washington Ave., Rochester, Wisconsin 53167; telephone: (262) 534–6315; fax: (262) 534–2395; email: *aca-engineering@tds.net;* internet: *http://www.americanchampionaircraft.com/service-letters.html*. You may review copies of the referenced service information at the FAA, Policy and Innovation Division, 901 Locust, Kansas City, Missouri 64106. For information on the availability of this material at the FAA, call (816) 329–4148.

Examining the AD Docket

You may examine the AD docket on the internet at *http://www.regulations.gov* by searching for and locating Docket No. FAA–2018–0003; or in person at the Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this NPRM, the regulatory evaluation, any comments received, and other information. The street address for the Docket Operations (phone: 800–647–5527) is in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

FOR FURTHER INFORMATION CONTACT: Wess Rouse, Small Airplane Program Manager, 2300 East Devon Avenue, Room 107, Des Plaines, Illinois 60018; telephone: (847) 294–8113; fax: (847) 294–7834; email: *wess.rouse@faa.gov*.

SUPPLEMENTARY INFORMATION:

Comments Invited

We invite you to send any written relevant data, views, or arguments about this proposed AD. Send your comments to an address listed under the **ADDRESSES** section. Include ''Docket No. FAA–2018–0003; Directorate Identifier 2017–CE–033–AD'' at the beginning of your comments. We specifically invite comments on the overall regulatory, economic, environmental, and energy aspects of this NPRM. We will consider all comments received by the closing date and may amend this NPRM because of those comments.

We will post all comments we receive, without change, to *http://www.regulations.gov,* including any personal information you provide. We will also post a report summarizing each substantive verbal contact we receive about this proposed AD.

Discussion

We issued AD 2017–07–10, Amendment 39–18849 (82 FR 17542, April 12, 2017), (''AD 2017–07–10''), for certain American Champion Aircraft Corp. (ACAC) Model 8KCAB airplanes. AD 2017–07–10 requires fabrication and installation of a placard to prohibit aerobatic flight, inspection of the aileron hinge rib and support, and a reporting requirement of the inspection results to the FAA. AD 2017–07–10 resulted from a report of a cracked hinge support and cracked hinge ribs, which resulted in partial loss of control with the aileron binding against the cove. We issued AD 2017–07–10 to prevent failure of the aileron support structure, which may lead to excessive deflection, binding of the control surface, and potential loss of control.

Actions Since AD 2017–07–10 Was Issued

Since we issued AD 2017–10, ACAC redesigned the aileron hinge supports with a reinforcement kit. This kit, when incorporated, strengthens the supports and prevents future damage from developing.

Related Service Information Under 1 CFR Part 51

We reviewed American Champion Aircraft Corp. Service Letter (SL) 442, Revision A, dated August 18, 2017 (ACAC SL No. 442); American Champion Aircraft Corp. Service Letter 444 Initial Revision, dated August 18, 2017 (ACAC SL No. 444); and page 4–1 of the Airworthiness Limitations section and page 5–9 of the Time and Maintenance Checks, both dated October 3, 2017, and included in American Champion Aircraft Corporation SM–601 8KCAB Service Manual, Reissue B, dated October 3, 2017. ACAC SL No. 442 describes procedures and inspection intervals for inspection of the aileron hinge rib and hinge support. ACAC SL No. 444 provides instructions for the installation of the aileron hinge reinforcement kit.

Page 4–1 and page 5–9 are revised pages that add a repetitive inspection to the 8KCAB Service Manual, SM–601, Reissue B, dated October 3, 2017. This service information is reasonably available because the interested parties have access to it through their normal course of business or by the means identified in the **ADDRESSES** section.

FAA's Determination

We are proposing this AD because we evaluated all the relevant information and determined the unsafe condition described previously is likely to exist or develop in other products of the same type design.

Proposed AD Requirements

This proposed AD would retain the placarding requirement of AD 2017–07–10 to prohibit aerobatic flight until completion of the initial 10-hour inspection. This proposed AD would also require repetitive 100-hour inspections until a maximum of 400 hours is reached, installation of the aileron hinge reinforcement kit, and incorporation of pages into the Airworthiness Limitations and Time and Maintenance Checks sections of the service manual. The existing AD contained a reporting requirement for the inspection results. This proposed NPRM will not include a reporting requirement.

Provided no damage is found during the inspections, an airplane could have up to five inspections before incorporating the reinforcement kit (initially at 10 hours TIS with the retained inspection from AD 2017–07–10, and then four 100-hour inspections up to a maximum of 400 hours TIS).

Differences Between This Proposed AD and the Service Information

ACAC SL No. 442 and ACAC SL No. 444 both require installation of the aileron hinge support reinforcement kit within 100 hours TIS for airplanes used for competitive aerobatics. Since the FAA has no way of tracking airplanes used for competitive aerobatics, we require installation of the reinforcement kit within 400 hours TIS. ACAC SL No. 444 requires 100-hour repetitive inspections after installation of the reinforcement kit. This proposed AD does not write those actions into the AD requirements; however, the revised pages of the Airworthiness Limitations section in the service manual include that inspection requirement. Both ACAC SL No. 442 and ACAC SL No. 444 have reporting requirements, but this AD does not include a reporting requirement. The actions of this AD take precedence over the service information.

Costs of Compliance

We estimate that this proposed AD affects 64 airplanes of U.S. registry.

We estimate the following costs to comply with this proposed AD:

ESTIMATED COSTS

Action	Labor cost	Parts cost	Cost per product	Cost on U.S. operators
Fabrication of placard, inspection of aileron hinge rib and support.	2 work-hours × $85 per hour = $170.00	$100	$270.00	$17,280
Repetitive 100-hour TIS inspections	1.5 work-hours × $85 per hour = $127.50	N/A	127.50	8,160
Installation of aileron hinge support reinforcement kit.	50 work-hours × $85 per hour = $4,250	2,200	6,450	412,800

Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA's authority to issue rules on aviation safety. Subtitle I, Section 106, describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the Agency's authority.

We are issuing this rulemaking under the authority described in Subtitle VII, Part A, Subpart III, Section 44701, ''General requirements.'' Under that section, Congress charges the FAA with promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

This AD is issued in accordance with authority delegated by the Executive Director, Aircraft Certification Service, as authorized by FAA Order 8000.51C. In accordance with that order, issuance of ADs is normally a function of the Compliance and Airworthiness Division, but during this transition period, the Executive Director has delegated the authority to issue ADs applicable to small airplanes, gliders, domestic business jet transport airplanes, and associated appliances to the Director of the Policy and Innovation Division.

Regulatory Findings

We have determined that this proposed AD would not have federalism implications under Executive Order 13132. This proposed AD would not have a substantial direct effect on the States, on the relationship between the national Government and the States, or on the distribution of power and responsibilities among the various levels of government.

For the reasons discussed above, I certify that the proposed regulation:

(1) Is not a ''significant regulatory action'' under Executive Order 12866,

(2) Is not a ''significant rule'' under the DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979),

(3) Will not affect intrastate aviation in Alaska, and

(4) Will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

The Proposed Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA proposes to amend 14 CFR part 39 as follows:

PART 39—AIRWORTHINESS DIRECTIVES

■ 1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

■ 2. The FAA amends § 39.13 by removing Airworthiness Directive (AD) 2017–07–10, Amendment 39–18849 (82 FR 17542, April 12, 2017), and adding the following new AD:

American Champion Aircraft Corp.: Docket No. FAA–2018–0003; Product Identifier 2017–CE–033–AD.

(a) Comments Due Date

The FAA must receive comments on this AD action by February 26, 2018.

(b) Affected ADs

This AD replaces AD 2017–07–10, Amendment 39–18849 (82 FR 17542, April 12, 2017) (''AD 2017–07–10'').

(c) Applicability

This AD applies to any American Champion Aircraft Corp. Model 8KCAB airplane, certificated in any category, that either has:

(i) A serial number in the range of 1116–2012 through 1120–2012 or 1122–2012 through 1170–2017; or

(ii) is equipped with part number 4–2142 exposed balance ailerons.

(d) Subject

Joint Aircraft System Component (JASC)/ Air Transport Association (ATA) of America Code 57, Wings.

(e) Unsafe Condition

AD 2017–07–10 was prompted by a report of a cracked hinge support and cracked hinge ribs, which resulted in partial loss of control with the aileron binding against the cove. This AD incorporates a newly designed aileron hinge support reinforcement kit. We are issuing this AD to prevent failure of the aileron support structure, which may lead to excessive deflection, binding of the control surface, and potential loss of control.

(f) Compliance

Comply with this AD within the compliance times specified, unless already done.

(g) Restrict Airplane Operation

(1) As of April 12, 2017 (the effective date retained from AD 2017–07–10), the airplane is restricted to non-aerobatic flight until the actions required in paragraphs (g)(2) through (3) of this AD are done.

(2) Before further flight after April 12, 2017 (the effective date retained from AD 2017–07–10), fabricate a placard using at least ⅛ inch letters with the words ''AEROBATIC FLIGHT PROHIBITED'' on it and install the placard on the instrument panel within the pilot's clear view.

(3) This action may be performed by the owner/operator (pilot) holding at least a private pilot certificate and must be entered into the aircraft records showing compliance with this AD in accordance with 14 CFR 43.9 (a)(1)–(4) and 14 CFR 91.417(a)(2)(v). The record must be maintained as required by 14 CFR 91.417, 121.380, or 135.439.

(h) Inspection and Reinforcement

(1) Within the next 10 hours time-in-service (TIS) after April 12, 2017 (the effective date retained from AD 2017–07–10), inspect the aileron hinge rib and support for cracks or other damage following American Champion Aircraft Corporation Service Letter (SL) 442, dated February 16, 2017, or American Champion Aircraft Corp. Service Letter (SL) 442, Revision A, dated August 18, 2017 (ACAC SL No. 442).

(2) If no cracks or other damage is found during the initial inspection required in paragraph (h)(1) of this AD, the placard prohibiting aerobatic flight required in paragraph (g)(2) of this AD can be removed.

(3) Within 100 hours TIS from the initial inspection required in paragraph (h)(1) of this AD or within 10 hours TIS after the effective date of this AD, whichever occurs later, and repetitively thereafter at intervals not the exceed 100 hours TIS, inspect the aileron hinge rib and support for cracks or other damage following ACAC SL No. 442.

(4) If cracks or other damage is found during any inspection required in paragraph (h)(1) or (3) of this AD, before further flight, replace any retained parts or structure that are cracked or damaged, and install the aileron hinge reinforcement kit following American Champion Aircraft Corp. Service Letter 444, dated August 18, 2017 (ACAC SL No. 444).

(5) Within 400 hours after the initial inspection required in paragraph (h)(1) of this AD, if not already done as required in paragraph (h)(4) of this AD, install the aileron hinge reinforcement kit following the procedures in ACAC SL No. 444.

(6) After installation of the aileron hinge reinforcement kit required in paragraph (h)(4) or (5) of this AD, as applicable, insert page 4–1 of the Airworthiness Limitations section and page 5–9 of the Time and Maintenance Checks section, both dated October 3, 2017, from the American Champion Aircraft Corporation SM–601 8KCAB Service Manual, Reissue B, dated October 3, 2017, into the maintenance program (service manual).

(7) Installing the aileron hinge reinforcement kit as required in paragraph (h)(4) or (h)(5) of this AD and the insertion of page 4–1 of the Airworthiness Limitations section and page 5–9 of the Time and Maintenance Checks section, both dated October 3, 2017, of the American Champion Aircraft Corporation SM–601 8KCAB Service Manual, Reissue B, dated October 3, 2017, into the maintenance program (service manual), as required in paragraph (h)(6) of this AD is terminating action to this AD. The revised Airworthiness Limitations section includes a 100-hour/annual inspection requirement for the aileron hinge supports.

(i) Reporting Requirement

Although ACAC SL No. 442 and ACAC SL No. 444 specify submitting certain information to the manufacturer, this AD does not require that action.

(j) Special Flight Permit

No aerobatic flight permitted with a special flight permit.

(k) Alternative Methods of Compliance (AMOCs)

(1) The Manager, Chicago ACO Branch, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or local Flight Standards District Office, as appropriate. If sending information directly to the manager of the ACO, send it to the attention of the person identified in paragraph (l) of this AD.

(2) Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the local flight standards district office/ certificate holding district office.

(l) Related Information

(1) For more information about this AD, contact Wess Rouse, Small Airplane Program Manager, 2300 East Devon Avenue, Room 107, Des Plaines, Illinois 60018; telephone: (847) 294–8113; fax: (847) 294–7834; email: *wess.rouse@faa.gov.*

(2) For service information identified in this AD, contact American Champion Aircraft Corp., P.O. Box 37, 32032 Washington Ave., Rochester, Wisconsin 53167; telephone: (262) 534–6315; fax: (262) 534–2395; email: *aca-engineering@tds.net;* internet: *http://www.americanchampion aircraft.com/service-letters.html.* You may view this referenced service information at the FAA, Policy and Innovation Division, 901 Locust, Kansas City, Missouri 64106. For information on the availability of this material at the FAA, call (816) 329–4148.

Issued in Kansas City, Missouri, on January 3, 2018.

Melvin J. Johnson,

Deputy Director, Policy & Innovation Division, Aircraft Certification Service.

[FR Doc. 2018–00178 Filed 1–10–18; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2017–1217; Product Identifier 2016–SW–080–AD]

RIN 2120–AA64

Airworthiness Directives; Air Comm Corporation Air Conditioning Systems

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: We propose to adopt a new airworthiness directive (AD) for Air Comm Corporation (Air Comm) air conditioning systems installed on various model helicopters. This proposed AD would require replacing electrical connectors and would prohibit the installation of other parts. This proposed AD is prompted by reports of overheated connectors. The proposed actions are intended to address an unsafe condition on these products.

DATES: We must receive comments on this proposed AD by March 12, 2018.

ADDRESSES: You may send comments by any of the following methods:

- *Federal eRulemaking Docket:* Go to *http://www.regulations.gov*. Follow the online instructions for sending your comments electronically.
- *Fax:* 202–493–2251.
- *Mail:* Send comments to the U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590–0001.
- *Hand Delivery:* Deliver to the ''Mail'' address between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

Examining the AD Docket

You may examine the AD docket on the internet at *http://www.regulations.gov* by searching for and locating Docket No. FAA–2017–1217; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this proposed AD, the economic evaluation, the Special Airworthiness Information Bulletin (SAIB), any comments received, and other information. The street address for Docket Operations (telephone 800–647–5527) is in the **ADDRESSES** section. Comments will be available in the AD docket shortly after receipt.

For service information identified in this proposed rule, contact Air Comm Corporation, 1575 West 124th Ave., Westminster, CO 80234; telephone (303) 440–4075; email *service@aircommcorp.com;* website *www.aircommcorp.com.* You may review the referenced service information at the FAA, Office of the Regional Counsel, Southwest Region, 10101 Hillwood Pkwy., Room 6N–321, Fort Worth, TX 76177.

FOR FURTHER INFORMATION CONTACT: Matthew Bryant, Aerospace Engineer, Denver ACO Branch, Compliance and Airworthiness Division, FAA, 26805 East 68th Ave., Room 214, Denver, CO 80249; telephone (303) 342–1092; email *matthew.bryant@faa.gov*.

SUPPLEMENTARY INFORMATION:

Comments Invited

We invite you to participate in this rulemaking by submitting written comments, data, or views. We also invite comments relating to the economic, environmental, energy, or federalism impacts that might result from adopting the proposals in this document. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. To ensure the docket does not contain duplicate comments, commenters should send only one copy of written comments, or if comments are filed electronically, commenters should submit only one time.

We will file in the docket all comments that we receive, as well as a report summarizing each substantive public contact with FAA personnel concerning this proposed rulemaking. Before acting on this proposal, we will consider all comments we receive on or before the closing date for comments. We will consider comments filed after the comment period has closed if it is possible to do so without incurring expense or delay. We may change this proposal in light of the comments we receive.

Discussion

On August 13, 2015, we issued SAIB SW–15–20 to alert owners and operators of Bell Helicopter Textron Canada Limited (Bell) Model 206, 407, and 427; Agusta S.p.A. Model A119; and Airbus Helicopters Model AS350, EC120, and EC130 helicopters of possible overheated and melted connectors in the wiring of certain Air Comm air conditioning system units. SAIB SW–15–20 was prompted by a report of a melted and discolored aft evaporator assembly connector due to poor crimping during installation of the connector or during production. SAIB SW–15–20 recommends inspecting the connecters for evidence of overheating and loose contact by following the Air Comm service bulletins, and if there is evidence of overheating or loose contact, making the air conditioning system inoperable until those connectors are replaced.

Since we issued SAIB SW–15–20, we received additional reports of melted and burned connectors. Further investigation revealed the connector design may be insufficient for some of these model helicopters because of electrical current load, installation location, vibration environment, and susceptibility to environmental factors. As a result, the connector may develop low pin tension between the socket and the pin, leading to high electrical resistance, subsequently resulting in excessive pin and socket temperatures. Overheating of the connector could result in a fire and subsequent loss of control of the helicopter. In July 2016, Air Comm introduced a newly designed connector that can withstand the demands and environment of the aft evaporator blower motor.

Accordingly, we are proposing an AD for certain part-numbered Air Comm air conditioning systems installed on Airbus Helicopters Model AS350B, AS350B1, AS350B2, AS350B3, AS350BA, AS350C, AS350D, AS350D1, and EC130B4, and Bell Model 206A, 206B, 206L, 206L–1, 206L–3, and 206L–4, and 407 helicopters. This proposed AD would require replacing each aft evaporator blower motor connector with the newly designed connector and would prohibit installing certain parts in the aft evaporator assembly, aft evaporator blower assembly, and aft condenser blower. The actions specified in this proposed AD are intended to prevent overheating of a connector, which could result in a fire and subsequent loss of control of the helicopter.

These Air Comm air conditioning systems may be installed on Airbus Helicopters Model AS350B, AS350B1, AS350B2, AS350B3, AS350BA, AS350C, AS350D, and AS350D1 helicopters per Supplemental Type Certificate (STC) SR00643DE; on Airbus Helicopters Model EC130B4 helicopters per STC SR00543DE; on Bell Model 206A, 206B, 206L, 206L–1, 206L–3, and 206L–4 helicopters per STC SH2750NM; and on Bell Model 407 helicopters per STC SR00222DE. Because field reports revealed that Agusta S.p.A. Model A119, Airbus Helicopters Model EC120, and Bell Model 427 helicopters are not affected by this unsafe condition, we are not including these models in this proposed AD.

FAA's Determination

We are proposing this AD because we evaluated all known relevant information and determined that an unsafe condition exists and is likely to exist or develop on other products of these same type designs.

Related Service Information Under 1 CFR Part 51

We reviewed Air Comm Corporation Service Bulletin (SB) SB AS350–111014 for Airbus Helicopters AS350 series helicopters and SB EC130–6204 for Airbus Helicopters EC130 series helicopters, both Revision B and dated January 10, 2017. We also reviewed SB 206–110414 for Bell 206 series helicopters, Revision C, and SB 407–110414 for Bell Model 407 helicopters, Revision D, both dated January 13, 2017. This service information specifies inspecting certain aft evaporator blower motor and certain condenser blower electrical connectors for indications of overheating, discoloration, and plastic deformation and performing a pull test. This service information also specifies replacing connector housings and contacts that fail the inspection or the pull test.

This service information is reasonably available because the interested parties have access to it through their normal course of business or by the means identified in the **ADDRESSES** section.

Other Related Service Information

We also reviewed the following Air Comm Corporation service information:

- SB AS350–111014 and SB EC130–6204, both Revision A and both dated July 6, 2016;
- SB 206–110414, Revision B, dated January 10, 2017 and Revision A dated June 3, 2016; and
- SB 407–110414, Revision C, dated January 10, 2017, and Revision B, dated July 6, 2016.

This service information contains the same procedures described above. However, SB AS350–111014 and SB EC130–6204, both Revision B and dated January 10, 2017, contain additional instructions and figures for the connectors. SB 206–110414, Revision C, and SB 407–110414, Revision D, both dated January 13, 2017, contain minor corrections.

Proposed AD Requirements

This proposed AD would require replacing certain connectors with Air Comm connectors and prohibit installing certain part-numbered plugs, sockets, receptacles, and pin in certain part-numbered aft evaporator assemblies, aft evaporator blower assemblies, and aft condenser blowers.

Differences Between This Proposed AD and the Service Information

The Air Comm service information specifies a compliance time of 20 flight hours. This proposed AD would require compliance within 90 hours time-in-service. The Air Comm service information specifies inspecting each connector and replacing the connector housings and contacts that have any signs of overheating or that fail a pull test. This proposed AD would require replacing each connector without an inspection. This proposed AD would also prohibit installing certain parts in certain part-numbered aft evaporator assemblies, aft evaporator blower assemblies, and aft condenser blowers.

Costs of Compliance

We estimate that this proposed AD would affect 914 units installed on helicopters of U.S. Registry. We estimate that operators may incur the following costs in order to comply with this AD. Labor costs are estimated at $85 per work-hour. Replacing the connectors would take about 1 work-hour and parts would cost about $60 for a total cost of $145 per helicopter and $132,530 for the U.S. fleet.

According to Air Comm's service information, some of the costs of this proposed AD may be covered under warranty, thereby reducing the cost impact on affected individuals. We do not control warranty coverage by Air Comm. Accordingly, we have included all costs in our cost estimate.

Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA's authority to issue rules on aviation safety. Subtitle I, section 106, describes the authority of the FAA Administrator. ''Subtitle VII: Aviation Programs,'' describes in more detail the scope of the Agency's authority.

We are issuing this rulemaking under the authority described in ''Subtitle VII, Part A, Subpart III, Section 44701: General requirements.'' Under that section, Congress charges the FAA with promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

Regulatory Findings

We determined that this proposed AD would not have federalism implications under Executive Order 13132. This proposed AD would not have a substantial direct effect on the States, on the relationship between the national Government and the States, or on the distribution of power and responsibilities among the various levels of government.

For the reasons discussed, I certify this proposed regulation:

1. Is not a ''significant regulatory action'' under Executive Order 12866;

2. Is not a ''significant rule'' under the DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979);

3. Will not affect intrastate aviation in Alaska to the extent that it justifies making a regulatory distinction; and

4. Will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

We prepared an economic evaluation of the estimated costs to comply with this proposed AD and placed it in the AD docket.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

The Proposed Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA proposes to amend 14 CFR part 39 as follows:

PART 39—AIRWORTHINESS DIRECTIVES

■ 1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

■ 2. The FAA amends § 39.13 by adding the following new airworthiness directive (AD):

Air Comm Corporation (Air Comm) Air Conditioning Systems: Docket No. FAA–2017–1217; Product Identifier 2016–SW–080–AD.

(a) Applicability

This AD applies to the following helicopters, certificated in any category:

(1) Airbus Helicopters Model AS350B, AS350B1, AS350B2, AS350B3, AS350BA, AS350C, AS350D, and AS350D1 helicopters with an Air Comm air conditioning system part number (P/N) AS350–202–1, AS350–202–2, AS350–202–3, AS350–202–4, AS350–202–5, AS350–204–1, AS350–204–2, AS350–204–3, AS350–204–4, AS350–204–5, AS350–204–6, AS350–204–7, AS350–204–8, AS350–204–9, AS350–204–10, AS350–204–11, or AS350–204–12 installed.

(2) Airbus Helicopters Model EC130B4 helicopters with an Air Comm air conditioning system P/N EC130–202–1, EC130–202–2, EC130–202–3, EC130–202–4, EC130–202–5, EC130–202–6, EC130–202–7, or EC130–202–8 installed.

(3) Bell Helicopter Textron Canada Limited (Bell) Model 206A, 206B, 206L, 206L–1, 206L–3, and 206L–4 helicopters with an Air Comm air conditioning system P/N 206EC–200, 206EC–201, 206EC–202, 206EC–203, 206EC–204, 206EC–205, 206EC–206, 206EC–207, 206EC–208, 206EC–209, 206EC–210, 206EC–211, or 206EC–212 installed.

(4) Bell Model 407 helicopters with an Air Comm air conditioning system P/N 407 EC–201, 407 EC–202, or 407 EC–203 installed.

(b) Unsafe Condition

This AD defines the unsafe condition as an overheated connector. This condition could result in a fire and subsequent loss of control of the helicopter.

(c) Comments Due Date

We must receive comments by March 12, 2018.

(d) Compliance

You are responsible for performing each action required by this AD within the specified compliance time unless it has already been accomplished prior to that time.

(e) Required Actions

(1) Within 90 hours time-in-service:

(i) For Airbus Helicopters Model AS350B, AS350B1, AS350B2, AS350B3, AS350BA, AS350C, AS350D, and AS350D1 helicopters, replace each aft evaporator blower motor connector with an Air Comm connector as depicted in Figures 2, 3, and 4 of Air Comm Service Bulletin (SB) SB AS350–1110014, Revision B, dated January 10, 2017, by using a Deutsch HDT–48–00 or an equivalent MIL–DTL22520 Type 1 crimping tool.

(ii) For Airbus Helicopters Model EC130B4 helicopters, replace each aft evaporator blower motor connector with an Air Comm connector as depicted in Figures 2, 3, and 4 of Air Comm SB EC130–6204, Revision B, dated January 10, 2017, by using a Deutsch HDT–48–00 or an equivalent MIL–DTL22520 Type 1 crimping tool.

(iii) For Bell Model 206A, 206B, 206L, 206L–1, 206L–3, and 206L–4 helicopters, replace each aft evaporator blower motor connector with an Air Comm connector as depicted in Figures 4, 5, and 6 of Air Comm SB 206–110414, Revision C, dated January 13, 2017, by using a Deutsch HDT–48–00 or an equivalent MIL–DTL22520 Type 1 crimping tool.

(iv) For Bell Model 407 helicopters, replace each aft evaporator blower motor connector with an Air Comm connector as depicted in Figures 4, 5, and 6 of Air Comm SB 407–110414, Revision D, dated January 13, 2017, by using a Deutsch HDT–48–00 or an equivalent MIL–DTL22520 Type 1 crimping tool.

(2) After the effective date of this AD, do not install the following in any aft evaporator assembly P/Ns AS350–6202, EC130–6204–1, or EC130–6204–2; aft evaporator blower assembly P/Ns S–6078EC–15, S–6102EC–3, or S–6102EC–4; or aft condenser blower P/Ns S–7060EC–1, S–7060EC–2, S–7062EC–1 or S–7062EC–2:

(i) Plug P/N 03–09–1022, 03–09–1032, and 03–09–1042;

(ii) Socket P/N 02–09–1103 and 02–09–1104;

(iii) Receptacle P/N 03–09–2022, 03–09–2032, and 03–09–2042; and

(iv) Pin P/N 02–09–2103.

(f) Credit for Previous Actions

Replacing the connectors before the effective date of this AD in accordance with Air Comm SB 206–110414, Revision A, dated June 3, 2016; SB AS350–111014 or SB EC130–6204, both Revision A and both dated July 6, 2016; SB 407–110414, Revision B, dated July 6, 2016; SB 206–110414, Revision B, dated January 10, 2017; or SB 407–110414, Revision C, dated January 10, 2017, is considered acceptable for compliance with the corresponding required actions specified in paragraph (e)(1) of this AD.

(g) Alternative Methods of Compliance (AMOC)

(1) The Manager, Denver ACO Branch, FAA, may approve AMOCs for this AD. Send your proposal to: Matthew Bryant, Aerospace Engineer, Denver ACO Branch, Compliance and Airworthiness Division, FAA, 26805 East 68th Ave., Room 214, Denver, CO 80249; telephone (303) 342–1092; email *matthew.bryant@faa.gov.*

(2) For operations conducted under a 14 CFR part 119 operating certificate or under 14 CFR part 91, subpart K, we suggest that you notify your principal inspector, or lacking a principal inspector, the manager of the local flight standards district office or certificate holding district office before operating any aircraft complying with this AD through an AMOC.

(h) Additional Information

Air Comm SB 206–110414, Revision A, dated June 3, 2016; SB AS350–111014 or SB EC130–6204, both Revision A and both dated July 6, 2016; SB 407–110414, Revision B, dated July 6, 2016; SB 206–110414, Revision B, dated January 10, 2017; and SB 407–110414, Revision C, dated January 10, 2017, which are not incorporated by reference, contain additional information about the subject of this AD. For service information identified in this AD, contact Air Comm Corporation, 1575 West 124th Ave., Westminster, CO 80234; telephone (303) 440–4075; email *service@aircommcorp.com;* website *www.aircommcorp.com.* You may review a copy of this service information at the FAA, Office of the Regional Counsel, Southwest Region, 10101 Hillwood Pkwy., Room 6N–321, Fort Worth, TX 76177.

(i) Subject

Joint Aircraft Service Component (JASC) Code: 2197, Air Conditioning System Wiring.

Issued in Fort Worth, Texas, on January 2, 2018.

Scott A. Horn,

Deputy Director for Regulatory Operations, Compliance & Airworthiness Division, Aircraft Certification Service.

[FR Doc. 2018–00177 Filed 1–10–18; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 73

[Docket No. FAA–2016–9495; Airspace Docket No. 15–AAL–6]

Proposed Establishment of Restricted Areas R–2201A, B, C, D, E, F, G, H, and J; Fort Greely, AK

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Supplemental notice of proposed rulemaking (SNPRM).

SUMMARY: This SNPRM amends the notice of proposed rulemaking (NPRM) published in the **Federal Register** on March 6, 2017, that proposed to establish Restricted Areas R–2201A, B, C, D, E, F, G, H, and J; Fort Greely, AK. Based on comments to the NPRM, the FAA proposes reducing the lateral and vertical dimensions of the proposed restricted airspace. The modified restricted areas would be designated R–2201A, B, C, and D. This SNPRM seeks comment on the amended proposal.

DATES: Comments must be received on or before February 26, 2018.

ADDRESSES: Send comments on this proposal to the U.S. Department of Transportation, Docket Operations, 1200 New Jersey Avenue SE, West Building Ground Floor, Room W12–140, Washington, DC 20590–0001; telephone: 1 (800) 647–5527, or (202) 366–9826. You must identify FAA Docket Number FAA–2016–9495 and Airspace Docket Number 15–AAL–6 at the beginning of your comments. You may also submit comments through the internet at *http://www.regulations.gov.*

FOR FURTHER INFORMATION CONTACT: Kenneth Ready, Airspace Policy Group, Office of Airspace Services, Federal Aviation Administration, 800 Independence Avenue SW, Washington, DC 20591; telephone: (202) 267–8783.

SUPPLEMENTARY INFORMATION:

Authority for This Rulemaking

The FAA's authority to issue rules regarding aviation safety is found in Title 49 of the United States Code. Subtitle I, Section 106 describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the agency's authority. This rulemaking is promulgated under the authority described in Subtitle VII, Part A, Subpart I, Section 40103. Under that section, the FAA is charged with prescribing regulations to assign the use of the airspace necessary to ensure the safety of aircraft and the efficient use of airspace. This regulation is within the scope of that authority as it would establish restricted airspace in the vicinity of Allen Army Airfield, to contain activities deemed hazardous to nonparticipating aircraft.

Comments Invited

Interested parties are invited to participate in this proposed rulemaking by submitting such written data, views, or arguments as they may desire. Comments that provide the factual basis supporting the views and suggestions presented are particularly helpful in developing reasoned regulatory decisions on the proposal. Comments are specifically invited on the overall regulatory, aeronautical, economic, environmental, and energy-related aspects of the proposal.

Communications should identify both docket numbers (FAA Docket Number FAA–2016–9495 and Airspace Docket Number 15–AAL–6) and be submitted in triplicate to the Docket Management Facility (see **ADDRESSES** section for

address and phone number). You may also submit comments through the internet at *http://www.regulations.gov*.

Commenters wishing the FAA to acknowledge receipt of their comments on this action must submit with those comments a self-addressed, stamped postcard on which the following statement is made: ''Comments to FAA Docket Number FAA–2016–9495 and Airspace Docket Number 15–AAL–6.'' The postcard will be date/time stamped and returned to the commenter.

All communications received on or before the specified comment closing date will be considered before taking action on the proposed rule. The proposal contained in this action may be changed in light of comments received. All comments submitted will be available for examination in the public docket both before and after the comment closing date. A report summarizing each substantive public contact with FAA personnel concerned with this rulemaking will be filed in the docket.

Availability of NPRM's

An electronic copy of this document may be downloaded through the internet at *http://www.regulations.gov*. Recently published rulemaking documents can also be accessed through the FAA's web page at *http://www.faa.gov/air_traffic/publications/airspace_amendments/*.

You may review the public docket containing the proposal, any comments received and any final disposition in person in the Dockets Office (see **ADDRESSES** section for address and phone number) between 9:00 a.m. and 5:00 p.m., Monday through Friday, except Federal holidays. An informal docket may also be examined during normal business hours at the office of the Western Service Center, Operations Support Group, Federal Aviation Administration, 1601 Lind Ave. SW, Renton, WA 98057.

History

The FAA published a notice of proposed rulemaking (NPRM) in the **Federal Register** for Docket No. FAA–2016–9495 (82 FR 12529; March 6, 2017). The NPRM proposed to establish Restricted Areas R–2201A, B, C, D, E, F, G, H, and J; Fort Greely, AK.

The NPRM proposed that the restricted areas would be configured in three layers, extending from the surface to Flight Level (FL) 220. R–2201A, B, and C would extend from the surface to but not including 6,000 feet MSL. Areas D, E, and F would extend from 6,000 feet MSL to but not including 15,000 feet MSL. Areas G, H, and J would extend from 15,000 feet MSL to FL 220. The proposed time of designation for all of the above areas was ''0700–1900 local time Monday–Friday; other times by NOTAM.''

A total of 39 comments were received in response to the NPRM. All commenters expressed objections to the proposal.

Discussion of Comments

The comments received focused on three main areas of concern: Adverse impacts to general aviation flying under VFR; negative impacts on IFR aircraft; and general impacts to general aviation.

Adverse Impacts to General Aviation Flying Under VFR

Many commenters wrote that the proposed restricted areas would seriously impact access to a key VFR route to and from the Isabel Pass. This strategically important mountain pass connects interior and southcentral Alaska, offering one of the lowest terrain routes through the Alaska Range. Pilots regularly navigate using the Richardson Highway and Trans Alaska Pipeline to traverse the mountain valley with precipitous terrain on either side. Commenters contended that this major VFR corridor is already constrained by the R–2202 complex to the west. The proposed R–2201 complex would further narrow the airspace available to fly within the corridor. They believe that the prevalence of rapidly rising terrain, high winds, and rapidly changing weather conditions, combined with the narrow corridor, would pose a significant hazard to pilots by leaving them with little or no options for coping with adverse flight conditions.

The FAA is proposing to modify the boundaries of the original proposal to provide a significantly larger VFR corridor along the Richardson Highway, and reduce the proposed altitude structure of the restricted area complex. This proposal also eliminates a section of the proposed restricted airspace that extended part way into the Buffalo MOA exclusion airspace. These measures should lessen the impact to VFR aircraft operations.

Negative Impacts to IFR Aircraft

Commenters pointed out that the proposed R–2201 complex would be located near two important IFR navigation aids (NAVAIDs): The Big Delta VORTAC (BIG), and the Delta Junction NDB (DJN). These NAVAIDs serve the following airways: A–2, B–25, V–444, V–481, V–515, T–226, and T–232. For IFR aircraft flying below FL 180 to have access to Fairbanks from the east or south, they must use these airways. However, if the full proposed R–2201 complex was active, all routes to and from BIG and DJN would be unavailable. The commenters said that lack of access to these routes would negatively affect air traffic safety and efficiency and increase the cost for aircraft operators to fly in this area.

The FAA is also proposing to reduce the proposed ceiling of the restricted area complex from FL 220 to 11,000 feet MSL, and limit the activation of the proposed restricted airspace between 6,000 feet MSL and 11,000 feet MSL to ''by NOTAM 4 hours in advance.'' This should provide greater availability of the airways noted above. Additionally, procedures would be incorporated into the Letters of Agreement/Procedure (LOA/LOP) between the controlling agency and the using agency to mitigate access issues. This would include activating only the minimum amount of airspace needed for the specific training mission, allowing the remaining airspace to be utilized by other users of the National Airspace System.

General Impacts to General Aviation

A number of commenters were concerned that the proposed times of activation for each restricted area would amount to 12 hours per weekday, as well as other times by NOTAM. The airspace below 6,000 feet MSL would be most affected since it could be active 60 percent of the time. The remaining altitude layers could be active 40 percent of the time. Due to the frequent occurrence of in-flight icing conditions in the area, the commenters pointed out that the availability of the low altitude portion of the R–2201 complex is extremely important. The potential high activation rate of the restricted areas could impact VFR and IFR aircraft.

As noted above, the modified design, and proposed LOA/LOP procedures between the controlling and using agencies, should lessen impacts on general aviation. Additionally, for situations such as icing, if an aircraft requires an altitude that is within an active restricted area, the LOA/LOP would contain updated procedures that provide for coordination with the using agency to cease operations as necessary to provide for non-participating aircraft access through the SUA area. This provision would be similar to those already contained in LOAs/LOPs for other special use airspace areas in Alaska.

Commenters also expressed concern about the proposed times of use for the complex; specifically, the provision allowing activation by NOTAM. One commenter stated that the lack of an advance notice requirement for

activation of the area by NOTAM could leave pilots with insufficient time for adequate flight planning, resulting in the need for an unforeseen circumnavigation of the area and/or having to divert to refuel. One commenter recommended that the times of use be changed to ''as published by NOTAM issued 4 hours in advance of area activation.''

The proposal has been modified so that NOTAMs for activating the restricted areas must be issued four hours in advance.

In addition to the above measures, the Special Use Airspace Information Service (SUAIS) would be updated continually to provide transitioning pilots with the current status of the various special use airspace areas that could affect their flight.

Differences From the NPRM

In response to the public comments, the FAA has significantly revised the airspace proposal. The United States Army Alaska (USARAK) re-evaluated its training mission requirements and the amount of restricted airspace needed to contain the various hazardous training events.

The original proposal consisted of nine restricted area subareas (R–2201A, B, C, D, E, F, G, H and J) extending in three layers from the surface up to FL 220. USARAK determined that it could meet its mission training goals with a scaled back restricted area complex consisting of four subareas (R–2201A, B, C, and D) instead of nine.

Further, USARAK concluded that it could accomplish required training within a lower altitude structure that extends from the surface to 11,000 feet MSL, instead of FL 220. R–2201A and B would extend from the surface to but not including 6,000 feet MSL; while R–2201C and D (which would overlie A and B, respectively) would extend from 6,000 feet MSL to 11,000 feet MSL. Most training would be accomplished in R–2201A and B from the surface to 6,000 feet MSL. The originally proposed altitudes above 11,000 feet MSL up to FL 220 are, therefore, removed from the proposal. These changes reduce the amount of proposed restricted airspace by approximately 50 percent.

To address the concerns about the narrow width of the VFR route to and from the Isabel Pass, the proposed western boundaries of the restricted areas were moved eastward, and the southern boundary moved northward, to provide a larger VFR corridor along the Richardson Highway as well additional clearance from the Donnelly Dome area.

The proposed time of designation for the restricted areas has also been revised. In the NPRM, the time of designation for all nine proposed subareas was ''0700–1900 local time Monday–Friday; other times by NOTAM.'' In the revised proposal, only R–2201A and B (which would extend from the surface to but not including 6,000 feet MSL) would have the specific published times of ''0700–1900 local time Monday–Friday''; as well as a provision to activate R–2201A and B at other times by a NOTAM issued 4 hours in advance. The time of designation for R–2201C and D (which would extend from 6,000 feet MSL to 11,000 feet MSL) would be limited to ''By NOTAM 4 hours in advance'' of the effective time. The proposed requirement that NOTAMs be issued 4 hours in advance was added in response to public comments that at least four hours advanced notice is needed to assist pilots with flight planning to help them avoid the need for reroutes or fuel diversions.

These proposed modifications provide a larger VFR corridor along the Richardson Highway; reduce the overall proposed restricted airspace by approximately 50 percent; and lessen the potential for impact on both VFR and IFR operations.

The Revised Proposal

The FAA is proposing an amendment to Title 14, Code of Federal Regulations (14 CFR) part 73 to establish restricted areas R–2201A, B, C, and D; Fort Greely, AK. Restricted areas R–2201A and R–2201C would overlie the Combined Arms Collective Training Facility (CACTF), and R–2201B and R–2201D would overlie the Battle Area Complex (BAX).

R–2201A would be located approximately one nautical mile southeast of Allen Army Airfield. The designated altitudes would extend from the surface to but not including 6,000 feet MSL. The time of designation would be ''0700–1900 local time Monday–Friday; other times by NOTAM 4 hours in advance.''

R–2201B would be established immediately south of R–2201A. The northern boundary of R–2201B would be the same as the southern boundary of R–2201A. R–2201B would extend southward to latitude 63°49′33″ N. The designated altitudes would be from the surface to but not including 6,000 feet MSL. The time of designation would be ''0700–1900 local time Monday–Friday; other times by NOTAM 4 hours in advance.''

R–2201C would overlie R–2201A using the same lateral boundaries. The designated altitudes would be from 6,000 feet MSL to 11,000 feet MSL. The time of designation would be ''By NOTAM 4 hours in advance.''

R–2201D would overlie R–2201B using the same lateral boundaries. The designated altitudes would be from 6,000 feet MSL to 11,000 feet MSL. The time of designation would be ''By NOTAM 4 hours in advance.''

A chart of the revised R–2201 proposal will be posted on the *www.regulations.gov* website (search: FAA–2016–9495).

Regulatory Notices and Analyses

The FAA has determined that this proposed regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore: (1) Is not a ''significant regulatory action'' under Executive Order 12866; (2) is not a ''significant rule'' under Department of Transportation (DOT) Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this proposed rule, when promulgated, will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

Environmental Review

This proposal will be subject to an environmental analysis in accordance with FAA Order 1050.1F, ''Environmental Impacts: Policies and Procedures'' prior to any FAA final regulatory action.

List of Subjects in 14 CFR Part 73

Airspace, Prohibited areas, Restricted areas.

The Proposed Amendment

In consideration of the foregoing, the Federal Aviation Administration proposes to amend 14 CFR part 73 as follows:

PART 73—SPECIAL USE AIRSPACE

■ 1. The authority citation for part 73 continues to read as follows:

Authority: 49 U.S.C. 106(f), 106(g); 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389.

§ 73.22 Alaska [Amended]

■ 2. § 73.22 is amended as follows:

* * * * *

R–2201A Fort Greely, AK [New]

Boundaries. Beginning at lat. 63°58′45″ N, long. 145°35′06″ W; to lat. 63°58′08″ N, long. 145°35′05″ W; to lat. 63°57′06″ N, long. 145°30′15″ W; to lat. 63°57′11″ N, long. 145°39′25″ W; to lat. 63°58′48″ N, long. 145°39′25″ W; to the point of beginning.

Designated altitudes. Surface to but not including 6,000 feet MSL.

Time of designation. 0700–1900 local time Monday–Friday; other times by NOTAM 4 hours in advance.

Controlling agency. FAA, Anchorage ARTCC.

Using agency. U.S. Army, AK (USARAK), Commanding General, Joint Base Elmendorf-Richardson (JBER), AK.

R–2201B Fort Greely, AK [New]

Boundaries. Beginning at lat. 63°57′06″ N, long. 145°30′15″ W; thence clockwise along a 6.3–NM radius of Allen AAF; to lat. 63°56′14″ N, long. 145°31′17″ W; to lat. 63°54′54″ N, long. 145°26′55″ W; thence south along Granite Creek; to lat. 63°49′36″ N, long. 145°34′53″ W; to lat. 63°49′36″ N, long. 145°40′45″ W; thence north along the west bank of Jarvis Creek; to lat. 63°52′14″ N, long. 145°41′49″ W; to lat. 63°52′56″ N, long. 145°42′52″ W; to lat. 63°55′01″ N, long. 145°42′52″ W; to lat. 63°56′20″ N, long. 145°39′26″ W; to lat. 63°57′11″ N, long. 145°39′25″ W; to the point of beginning.

Designated altitudes. Surface to but not including 6,000 feet MSL.

Time of designation. 0700–1900 local time Monday–Friday; other times by NOTAM 4 hours in advance.

Controlling agency. FAA, Anchorage ARTCC.

Using agency. U.S. Army, AK (USARAK), Commanding General, Joint Base Elmendorf-Richardson (JBER), AK.

R–2201C Fort Greely, AK [New]

Boundaries. Beginning at lat. 63°58′45″ N, long. 145°35′06″ W; to lat. 63°58′08″ N, long. 145°35′05″ W; to lat. 63°57′06″ N, long. 145°30′15″ W; to lat. 63°57′11″ N, long. 145°39′25″ W; to lat. 63°58′48″ N, long. 145°39′25″ W; to the point of beginning.

Designated altitudes. 6,000 feet MSL to 11,000 feet MSL.

Time of designation. By NOTAM 4 hours in advance.

Controlling agency. FAA, Anchorage ARTCC.

Using agency. U.S. Army, AK (USARAK), Commanding General, Joint Base Elmendorf-Richardson, AK (JBER), AK.

R–2201D Fort Greely, AK [New]

Boundaries. Beginning at lat. 63°57′06″ N, long. 145°30′15″ W; thence clockwise along a 6.3–NM radius of Allen AAF; to lat. 63°56′14″ N, long. 145°31′17″ W; to lat. 63°54′54″ N, long. 145°26′55″ W; thence south along Granite Creek; to lat. 63°49′36″ N, long. 145°34′53″ W; to lat. 63°49′36″ N, long. 145°40′45″ W; thence north along the west bank of Jarvis Creek; to lat. 63°52′14″ N, long. 145°41′49″ W; to lat. 63°52′56″ N, long. 145°42′52″ W; to lat. 63°55′01″ N, long. 145°42′52″ W; to lat. 63°56′20″ N, long. 145°39′26″ W; to lat. 63°57′11″ N, long. 145°39′25″ W; to the point of beginning.

Designated altitudes. 6,000 feet MSL to 11,000 feet MSL.

Time of designation. By NOTAM 4 hours in advance.

Controlling agency. FAA, Anchorage ARTCC.

Using agency. U.S. Army, AK (USARAK), Commanding General, Joint Base Elmendorf-Richardson (JBER), AK.

Issued in Washington, DC, on January 3, 2018.

Rodger A. Dean Jr.,

Manager, Airspace Policy Group.

[FR Doc. 2018–00371 Filed 1–10–18; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 73

[Docket No. FAA–2017–1109; Airspace Docket No. 17–ASO–22]

Proposed Amendment for Restricted Area R–4403A; Stennis Space Center, MS

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This action proposes to amend the time of designation for restricted area R–4403A, Stennis Space Center, MS, from ''Intermittent, 1000 to 0300 local time, as activated by NOTAM at least 24 hours in advance,'' to ''Intermittent by NOTAM at least 24 hours in advance.'' The National Aeronautics and Space Administration (NASA) requested the change to meet requirements of the Space Launch System (SLS) Core Stage test program.

DATES: Comments must be received on or before February 26, 2018.

ADDRESSES: Send comments on this proposal to the U.S. Department of Transportation, Docket Operations, 1200 New Jersey Avenue SE, West Building Ground Floor, Room W12–140, Washington, DC 20590; telephone: 1 (800) 647–5527, or (202) 366–9826. You must identify FAA Docket No. FAA–2017–1109 and Airspace Docket No. 17–ASO–22, at the beginning of your comments. You may also submit comments through the internet at *http://www.regulations.gov.* Comments on environmental and land use aspects should be directed to: Mr. David Lorance, P.E., Center Environmental Officer, Center Operations Directorate, NASA Stennis Space Center, Roy S. Estess Building 1100, Mail Code RA02, Stennis Space Center, MS 39529–6000.

FOR FURTHER INFORMATION CONTACT: Paul Gallant, Airspace Policy Group, Office of Airspace Services, Federal Aviation Administration, 800 Independence Avenue SW, Washington, DC 20591; telephone: (202) 267–8783.

SUPPLEMENTARY INFORMATION:

Authority for This Rulemaking

The FAA's authority to issue rules regarding aviation safety is found in Title 49 of the United States Code. Subtitle I, Section 106 describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the agency's authority. This rulemaking is promulgated under the authority described in Subtitle VII, Part A, Subpart I, Section 40103. Under that section, the FAA is charged with prescribing regulations to assign the use of the airspace necessary to ensure the safety of aircraft and the efficient use of airspace. This regulation is within the scope of that authority as it would support a change in the time of designation for restricted area R–4403A, Stennis Space Center, MS, to accommodate NASA rocket engine test activities.

Comments Invited

Interested parties are invited to participate in this proposed rulemaking by submitting such written data, views, or arguments as they may desire. Comments that provide the factual basis supporting the views and suggestions presented are particularly helpful in developing reasoned regulatory decisions on the proposal. Comments are specifically invited on the overall regulatory, aeronautical, economic, environmental, and energy-related aspects of the proposal.

Communications should identify both docket numbers (FAA Docket No. FAA–2017–1109 and Airspace Docket No. 17–ASO–22) and be submitted in triplicate to the Docket Office at the address listed above. You may also submit comments through the internet at *www.regulations.gov.*

Commenters wishing the FAA to acknowledge receipt of their comments on this action must submit with those comments a self-addressed, stamped postcard on which the following statement is made: ''Comments to FAA Docket No. FAA–2017–1109 and Airspace Docket No. 17–ASO–22.'' The postcard will be date/time stamped and returned to the commenter.

All communications received on or before the specified closing date for comments will be considered before taking action on the proposed rule. The proposal contained in this action may

be changed in light of comments received. All comments submitted will be available for examination in the public docket both before and after the closing date for comments. A report summarizing each substantive public contact with FAA personnel concerned with this rulemaking will be filed in the docket.

Availability of NPRMs

An electronic copy of this document may be downloaded through the internet at *www.regulations.gov*.

You may review the public docket containing the proposal, any comments received and any final disposition in person at the Docket Office (see **ADDRESSES** section for address and phone number) between 9:00 a.m. and 5:00 p.m., Monday through Friday, except Federal holidays. An informal docket may also be examined during normal business hours at the office of the Operations Support Group, Eastern Service Center, Federal Aviation Administration, 1701 Columbia Ave., College Park, GA 30337.

Background

R–4403A was established by a final rule published in the **Federal Register** on March 29, 2016 (81 FR 17379) Docket No. 2017–0370, as part of the expansion of the former restricted area R–4403. R–4403A was designated to contain hazards associated with rocket engine testing. The current time of designation, ''Intermittent, 1000 to 0300 local time, as activated by NOTAM at least 24 hours in advance,'' allows for up to 17 hours of daily use. However, NASA's Space Launch System (SLS) Core Stage test program will require activation of R–4403A for periods of 24 to 48 hours which will exceed the current time designation for the restricted area.

The current boundaries and altitudes of R–4403A are sufficient to contain the hazards from hydrogen flaring profiles associated with propulsion testing and are not affected by this proposal. Additionaly, the need for on-going single rocket engine testing in R–4403A remains at approximately 20–40 times per year. On average, NASA activates R–4403A for 7 hours for each event. If technical difficulties or other conditions require, R–4403A has been activated for up to 12 hours. However, the SLS Core Stage testing program entails the simultaneous testing of four rocket engines. The flaring of hydrogen fuel will require NASA to activate R–4403A for up to 48 hours because SLS Core Stage testing cannot confine the hydrogen flare stack hazards within the existing 17-hour daily window available for R–4403A. This requirement is expected to occur 2–3 times per year.

The Proposal

The FAA proposes an amendment to 14 CFR part 73 to change the time of designation for restricted area R–4403A, Stennis Space Center, MS, from ''Intermittent, 1000 to 0300 local time, as activated by NOTAM at least 24 hours in advance,'' to ''Intermittent by NOTAM at least 24 hours in advance.''

This change is required to provide the additional restricted area activation time needed to accommodate NASA's SLS Core Stage engine testing program. The current boundaries and designated altitude for R–4403A remain unchanged by this proposal.

Regulatory Notices and Analyses

The FAA has determined that this proposed regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore: (1) Is not a ''significant regulatory action'' under Executive Order 12866; (2) is not a ''significant rule'' under Department of Transportation (DOT) Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this proposed rule, when promulgated, will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

Environmental Review

This proposal will be subjected to an environmental analysis in accordance with FAA Order 1050.1F, ''Environmental Impacts: Policies and Procedures,'' prior to any FAA final regulatory action.

List of Subjects in 14 CFR Part 73

Airspace, Prohibited areas, Restricted areas.

The Proposed Amendment

In consideration of the foregoing, the Federal Aviation Administration proposes to amend 14 CFR part 73 as follows:

PART 73—SPECIAL USE AIRSPACE

■ 1. The authority citation for part 73 continues to read as follows:

Authority: 49 U.S.C. 106(f), 106(g); 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389.

§ 73.44 Mississippi [Amended]

■ 2. § 73.44 is amended as follows:

* * * * *

R–4403A Stennis Space Center, MS [Amended]

By removing the words ''Time of Designation. Intermittent, 1000 to 0300 local time, as activated by NOTAM at least 24 hours in advance,'' and adding in their place:

Time of designation. Intermittent by NOTAM at least 24 hours in advance.

Issued in Washington, DC, on January 8, 2018.

Rodger A. Dean, Jr.,

Manager, Airspace Policy Group.

[FR Doc. 2018–00370 Filed 1–10–18; 8:45 am]

BILLING CODE 4910–13–P

POSTAL REGULATORY COMMISSION

39 CFR Part 3050

[Docket No. RM2018–2; Order No. 4347]

Periodic Reporting Requirements

AGENCY: Postal Regulatory Commission.

ACTION: Advance notice of proposed rulemaking.

SUMMARY: The Commission is noticing a recent filing requesting that the Commission initiate an informal rulemaking proceeding to consider revisions to the periodic reporting requirements codified at 39 CFR part 3050. This document informs the public of the filing, invites public comment, and takes other administrative steps.

DATES: *Comments are due:* March 7, 2018; *Reply Comments are due:* April 6, 2018.

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.

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

SUPPLEMENTARY INFORMATION:

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II. Background
III. Invitation To Comment
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I. Introduction

On December 27, 2017, the Postal Service filed a request for the Commission to consider revisions to the periodic reporting requirements codified in 39 CFR part 3050.[1] The Commission initiates this rulemaking to seek comments and facilitate the Commission's examination of these periodic reporting requirements.

II. Background

The Postal Accountability and Enhancement Act (PAEA) granted the Commission enhanced information gathering and reporting responsibilities. *See* 39 U.S.C. 3652(e)(1). The PAEA provides that the Commission shall prescribe the content and form of the public reports the Postal Service files with the Commission under section 3652. In Docket No. RM2008–4, the Commission approved its current periodic reporting requirements.[2]

On December 27, 2017, the Postal Service filed a request for the Commission to consider revisions to the periodic reporting requirements. First, the Postal Service requests that the Commission adjust the deadlines for the quarterly Revenue, Pieces, and Weight (RPW) report; the Quarterly Statistics Report (QSR); the quarterly Billing Determinants report, and the monthly National Consolidated Trial Balance and the Revenue and Expense Summary (Trial Balance) report, to align the deadlines with other financial reporting deadlines. Petition at 1. The Postal Service states that revising the regulations so these deadlines align with other financial reporting deadlines will avoid potential restatements of the earlier filed reports once the data for the later filed reports are finalized. *Id.* at 3.

Specifically, the Postal Service wants to move the deadline for the RPW and QSR reports so that the quarterly and year-end report deadlines are the same as the Form 10–Q and Form 10–K report due dates. *Id.* at 2–3. In addition, the Postal Service requests that the deadlines for the quarterly Billing Determinants reports be extended to 60 days after the end of Quarters 1, 2, and 3, and 90 days after the year-end for Quarter 4.[3] The Postal Service also requests that the Commission revise the periodic reporting rules so that the Trial Balance reports and the Monthly Summary Financial reports have the same deadline. *Id.* at 5–6.

Second, the Postal Service requests that the Commission modify the format of the Monthly Summary Financial Report to make the report more consistent with the Postal Service's quarterly and annual financial reports. *Id.* at 1. The Postal Service states that the term ''Operating Revenue'' as it is used in Tables 1 and 2 of the Monthly Summary Financial Report does not correspond with its usage in its Form 10–K statements. *Id.* at 7. The Postal Service requests revisions to Tables 1 and 2 of the Monthly Summary Financial Report so that the items and amounts reported for total operating revenue reconcile on both tables and the breakdown for revenue more closely aligns with the format in its other financial reports.[4]

Third, the Postal Service requests that the Commission consider eliminating or modifying any reporting requirements that have become unnecessary or irrelevant since the current periodic reporting rules were first implemented in 2009. Petition at 1. The Postal Service requests that the Commission consider eliminating or modifying these requirements to avoid imposing ''unnecessary or unwarranted administrative effort and expense'' on the Postal Service. *Id.* (citing 39 U.S.C. 3652(e)(1)).

III. Invitation To Comment

Interested persons are invited to provide written comments to facilitate the Commission's examination of the periodic reporting requirements. In addition to the specific revisions requested in the Postal Service's petition, the Commission also invites comments on whether specific periodic reporting requirements should be eliminated or modified or whether updates or enhancements to the requirements should be made.

Comments are due no later than March 7, 2018. Reply comments are due no later than April 6, 2018. All comments and suggestions received will be available for review on the Commission's website, *http://www.prc.gov*.

Pursuant to 39 U.S.C. 505, Lauren A. D'Agostino is appointed to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in the above-captioned docket.

IV. Ordering Paragraphs

It is ordered:

1. The Commission establishes Docket No. RM2018–2 to consider revisions to the periodic reporting requirements.
2. Comments are due no later than March 7, 2018. Reply comments are due no later than April 6, 2018.
3. Pursuant to 39 U.S.C. 505, the Commission appoints Lauren A. D'Agostino to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this docket.
4. The Secretary shall arrange for publication of this notice in the **Federal Register**.

By the Commission.

Stacy L. Ruble,

Secretary.

[FR Doc. 2018–00320 Filed 1–10–18; 8:45 am]

BILLING CODE 7710–FW–P

[1] United States Postal Service Petition for Rulemaking on Periodic Reporting, December 27, 2017 (Petition).

[2] Docket No. RM2008–4, Order No. 203, Notice of Final Rule Prescribing Form and Content of Periodic Reports, April 16, 2009.

[3] *Id.* at 4. The Postal Service also requests that the Quarter 4 Billing Determinants report be incorporated into the annual Billing Determinants report rather than submitted as a standalone filing. *Id.* The Postal Service states that eliminating the standalone filing would help the Postal Service more effectively allocate scarce time and resources. *Id.*

[4] *Id.* The Postal Service also requests updating Table 2 to reflect the name change of Standard Mail to USPS Marketing Mail. *Id.* Attachment 1 at 2.

DEPARTMENT OF VETERANS AFFAIRS

48 CFR Parts 812, 813, and 852

RIN 2900–AP58

Revise and Streamline VA Acquisition Regulation To Adhere to Federal Acquisition Regulation Principles (VAAR Case 2014–V005—Parts 812, 813)

AGENCY: Department of Veterans Affairs.

ACTION: Proposed rule.

SUMMARY: The Department of Veterans Affairs (VA) is proposing to amend and update its VA Acquisition Regulation (VAAR) in phased increments to revise or remove any policy superseded by changes in the Federal Acquisition Regulation (FAR), to remove procedural guidance internal to VA into the VAAM, and to incorporate any new agency specific regulations or policies. These changes seek to streamline and align the VAAR with the FAR and remove outdated and duplicative requirements and reduce burden on contractors. The VAAM incorporates portions of the removed VAAR as well as other internal agency acquisition policy. VA will rewrite certain parts of the VAAR and VAAM, and as VAAR parts are rewritten, will publish them in the **Federal Register**. To minimize the number of rules published, VA will combine related topics.

DATES: Comments must be received on or before March 12, 2018 to be considered in the formulation of the final rule.

ADDRESSES: Written comments may be submitted through *www.Regulations.gov;* by mail or hand-delivery to Director, Regulation Policy and Management (00REG), Department of Veterans Affairs, 810 Vermont Avenue NW, Room 1063B, Washington, DC 20420; or by fax to (202) 273–9026. Comments should indicate that they are submitted in response to ''RIN 2900–AP58—Revise and Streamline VA Acquisition Regulation to Adhere to Federal Acquisition Regulation Principles (VAAR Case 2014–V005—Parts 812, 813).'' Copies of comments received will be available for public inspection in the Office of Regulation Policy and Management, Room 1063B, between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday (except holidays). Please call (202) 461–4902 for an appointment. This is not a toll-free number. In addition, during the comment period, comments may be viewed online through the Federal Docket Management System (FDMS) at *www.Regulations.gov*.

FOR FURTHER INFORMATION CONTACT: Mr. Ricky Clark, Senior Procurement Analyst, Procurement Policy and Warrant Management Services, 003A2A, 425 I Street NW, Washington DC 20001, (202) 632–5276. This is not a toll-free telephone number.

SUPPLEMENTARY INFORMATION:

Background

This action is being taken under the authority of the Office of Federal Procurement Policy (OFPP) Act which provides the authority for an agency head to issue agency acquisition regulations that implement or supplement the FAR. This authority ensures that Government procurements are handled fairly and consistently, that the Government receives overall best value, and that the Government and contractors both operate under a known set of rules.

The proposed rule would update the VAAR to current FAR titles, requirements, and definitions; it would correct inconsistencies and removes redundancies and duplicate material already covered by the FAR; it would also delete outdated material or information and appropriately renumber VAAR text, clauses, and provisions where required to comport with FAR format, numbering and arrangement. All amendments, revisions, and removals have been reviewed and concurred with by an Integrated Product Team of agency stakeholders.

The VAAR uses the regulatory structure and arrangement of the FAR and headings and subject areas are broken up consistent with the FAR content. The VAAR is divided into subchapters, parts (each of which covers a separate aspect of acquisition), subparts, sections, and subsections.

The Office of Federal Procurement Policy Act, as codified in 41 U.S.C. 1707, provides the authority for the Federal Acquisition Regulation and for the issuance of agency acquisition regulations consistent with the FAR.

When Federal agencies acquire supplies and services using appropriated funds, the purchase is governed by the FAR, set forth at Title 48 Code of Federal Regulations (CFR), chapter 1, parts 1 through 53, and the agency regulations that implement and supplement the FAR. The VAAR is set forth at Title 48 CFR, chapter 8, parts 801 to 873.

VA is proposing to revise the VAAR to add new policy or regulatory requirements and to remove any guidance that is applicable only to VA's internal operating processes or procedures. Codified acquisition regulations may be amended and revised only through rulemaking.

Discussion and Analysis

The VA proposes to make the following changes to the VAAR in this phase of its revision and streamlining initiative. For procedural guidance cited below that is proposed to be deleted from the VAAR, each section cited for removal has been considered for inclusion in VA's internal agency operating procedures in accordance with FAR 1.301(a)(2). Similarly, delegations of authority that are removed from the VAAR will be included in the VA Acquisition Manual (VAAM) as internal agency guidance.

VAAR Part 812—Acquisition of Commercial Items

In VAAR part 812, we propose to replace the 38 U.S.C. 501 citation with 41 U.S.C. 1702 which addresses the acquisition planning and management responsibilities of VA's Chief Acquisition Officer, and add the citation for 38 U.S.C. 8127–8128 which addresses small business concerns owned and controlled by Veterans.

In subpart 812.1, Acquisition of Commercial Items—General, we propose to delete 812.102, Applicability, as unnecessary duplication of language in the FAR.

We propose to add 812.102–70, Applicability of Veterans preferences, to state that the preferences in subpart 819.70 apply to part 812.

We propose to revise 812.301, Solicitation provisions and contract clauses for the acquisition of commercial items, to delete the existing text and replace paragraph (f) with new text prescribing insertion into solicitations and contracts for commercial acquisitions the provision 852.212–70, Provisions Applicable to VA Acquisition of Commercial Items, and the clause 852.212–71, Contract Terms and Conditions Applicable to VA Acquisition of Commercial Items, which will list all VAAR provisions and clauses from other parts that are available for use in commercial acquisitions. We propose to allow a contracting officer to indicate with a checkmark the specific provisions and clauses that apply to the acquisition. We propose to add a new provision 852.212–72, Gray Market Items, to require vendors of medical equipment to be an Original Equipment Manufacturer (OEM), authorized dealer, authorized distributor or authorized reseller of such equipment.

We propose to revise the list of provisions and clauses and to incorporate them into the new provision and clause being prescribed. The following provisions and clauses are not included in revised section 812.301(f) and further action on them will be addressed in future proposed rules—

852.203–71, Display of Department of Veterans Affairs Hotline Poster.

852.207–70, Report of Employment Under Commercial Activities.

852.211–71, Special Notice.

852.211–72, Technical Industry Standards.

852.211–73, Brand Name or Equal.

852.211–74, Liquidated Damages.

852.211–75, Product Specifications.

852.214–70, Caution to Bidders—Bid Envelopes.

852.216–70, Estimated Quantities.

We propose to add the following provisions and clauses to those available for use in commercial acquisitions based on their potential applicability for commercial item purchases—

852.215–70, Service-Disabled Veteran-Owned and Veteran-Owned Small Business Evaluation Factors.

852.215–71, Evaluation Factor Commitments.

852.219–9, VA Small Business Subcontracting Plan Minimum Requirements.

852.219–10, VA Notice of Total Service-Disabled Veteran-Owned Small Business Set-Aside.

852.219–11, VA Notice of Total Veteran-Owned Small Business Set-Aside.

852.222–70, Contract Work Hours and Safety Standards Act—Nursing Home Care Contract Supplement.

852.232–72, Electronic Submission of Payment Requests.

852.246–73, Noncompliance with Packaging, Packing, and/or Marking Requirements.

852.247–70, Determining Transportation Costs for Bid Evaluation.

We propose to remove 812.302, Tailoring of provisions and clauses for the acquisition of commercial items, in its entirety since it deals with internal procedures for obtaining a waiver to allow tailoring of provisions and clauses to be inconsistent with customary commercial practice.

VAAR Part 813—Simplified Acquisition Procedures

In VAAR part 813, we propose to add the citation for 41 U.S.C. 1702 which addresses the acquisition planning and management responsibilities of VA's Chief Acquisition Officer.

We propose to add 813.003–70, Policy, which would explain that the Veterans First Contracting Program has broad applicability in contracts using Simplified Acquisition Procedures, and 813.102, Source list, to require that contracting officers use the Vendor Information Pages (VIP) database to verify Service-Disabled Veteran-Owned Small Business and Veteran-Owned Small Business status.

We propose to remove 813.106, Soliciting competition, evaluation of quotations or offers, award and documentation, since paragraph (a) addresses internal procedures and paragraph (b) contains material that is adequately addressed in FAR. We will retain the title since 813.106–70 is being added.

We propose to remove 813.106–3, Award and documentation, since it is material adequately addressed in FAR.

We propose to remove 813.106–70, Oral purchase orders, because the FAR contains no authority to issue oral purchase orders.

We propose to add 813.106–70, Soliciting competition, evaluation of quotations or offers, award and documentation—the Veterans First Contracting Program, which emphasizes that contracting officers can use other than competitive procedures under specified circumstances when awarding to Service-Disabled Veteran-Owned Businesses (SDVOSBs) or Veteran-Owned Small Businesses (VOSBs).

We propose to revise 813.202, Purchase guidelines, to renumber it as 813.203 to correspond to the FAR coverage; to delete the words ''open market'' as unnecessary; and to spell out Service-Disabled Veteran-Owned Small Businesses and Veteran-Owned Small Businesses the first times the acronyms are used.

We propose to remove 813.302, Purchase orders and 813.302–5, Clauses, because they incorrectly prescribe a clause in part 837.

We propose to add 813.305–70, VA's imprest funds and third party drafts policy, to state that the Government-wide commercial purchase card and/or convenience checks shall be used in lieu of imprest funds and third party drafts.

We propose to remove 813.307, Forms, and include it in VA's internal procedural guidance.

VAAR Part 852—Solicitation Provisions and Contract Clauses

In VAAR part 852, we propose to replace the 38 U.S.C. 501 citation with 41 U.S.C. 1702 which addresses the acquisition planning and management responsibilities of VA's Chief Acquisition Officer.

In subpart 852.2, we propose to add the provision 852.212–70, Provisions Applicable to VA Acquisition of Commercial Items, to permit the contracting officer to check those that will be applicable to the individual commercial buy.

In subpart 852.2, we propose to add the provision 852.212–71, Contract Terms and Conditions Applicable to VA Acquisition of Commercial Items, to permit the contracting officer to check those that will be applicable to the individual commercial buy.

In subpart 852.2, we propose to add the provision 852.212–72, Gray Market Items, to ensure that new medical equipment for VA Medical Centers is purchased from authorized distributors and that all software licensing, warranty and service associated with the equipment/system shall be in accordance with the Original Equipment Manufacturer's terms and conditions.

Effect of Rulemaking

Title 48, Federal Acquisition Regulations System, Chapter 8, Department of Veterans Affairs, of the Code of Federal Regulations, as proposed to be revised by this rulemaking, would represent VA's implementation of its legal authority and publication of the Department of Veterans Affairs Acquisition Regulation (VAAR) for the cited applicable parts. Other than future amendments to this rule or governing statutes for the cited applicable parts, or as otherwise authorized by approved deviations or waivers in accordance with Federal Acquisition Regulation (FAR) subpart 1.4, Deviations from the FAR, and as implemented by VAAR subpart 801.4, Deviations from the FAR or VAAR, no contrary guidance or procedures would be authorized. All existing or subsequent VA guidance would be read to conform with the rulemaking if possible or, if not possible, such guidance would be superseded by this rulemaking as pertains to the cited applicable VAAR parts.

Executive Orders 12866, 13563 and 13771

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits of reducing costs, of harmonizing rules, and of promoting flexibility. E.O. 12866, Regulatory Planning and Review, defines ''significant regulatory action'' to mean any regulatory action that is likely to result in a rule that may: ''(1) Have an annual effect on the economy of $100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities; (2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in this Executive order.''

VA has examined the economic, interagency, budgetary, legal, and policy implications of this regulatory action, and it has been determined to be a significant regulatory action under E.O. 12866, because it raises novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in this Executive Order. VA's impact analysis can be found as a supporting document at *http://www.regulations.gov,* usually within 48 hours after the rulemaking document is published. Additionally, a copy of the rulemaking and its impact analysis are available on VA's website at *http://www.va.gov/orpm* by following the link for VA Regulations Published from FY 2004 Through Fiscal Year to Date. This proposed rule is not expected to be subject to the requirements of E.O. 13771 because this proposed rule is

expected to result in no more than *de minimis* costs.

Paperwork Reduction Act

Although this action contains provisions constituting collections of information at 48 CFR 813, under the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3521), no new or proposed revised collections of information are associated with this proposed rule. The information collection requirements for 48 CFR 813 are currently approved by the Office of Management and Budget (OMB) and have been assigned OMB control number 2900–0393.

Regulatory Flexibility Act

This proposed rule would not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act, 5 U.S.C. 601–612. This proposed rule would generally be small business neutral. The overall impact of the proposed rule would be of benefit to small businesses owned by Veterans or service-disabled Veterans as the VAAR is being updated to remove extraneous procedural information that applies only to VA's internal operating procedures. VA estimates no cost impact to individual business would result from these rule updates. On this basis, the adoption of this proposed rule would not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act, 5 U.S.C. 601–612. Therefore, under 5 U.S.C. 605(b), this regulatory action is exempt from the initial and final regulatory flexibility analysis requirements of sections 603 and 604.

Unfunded Mandates

The Unfunded Mandates Reform Act of 1995 requires, at 2 U.S.C. 1532, that agencies prepare an assessment of anticipated costs and benefits before issuing any rule that may result in the expenditure by State, local, and tribal Governments, in the aggregate, or by the private sector, of $100 million or more (adjusted annually for inflation) in any one year. This proposed rule would have no such effect on State, local, and tribal Governments or on the private sector.

List of Subjects

48 CFR Part 812 and 813

Government procurement.

48 CFR Part 852

Government procurement, Reporting and recordkeeping requirements.

Signing Authority

The Secretary of Veterans Affairs, or designee, approved this document and authorized the undersigned to sign and submit the document to the Office of the Federal Register for publication electronically as an official document of the Department of Veterans Affairs. Gina S. Farrisee, Deputy Chief of Staff, Department of Veterans Affairs approved this document on April 21, 2017, for publication.

Dated: January 3, 2018.

Michael Shores,

Director, Regulation Policy & Management, Office of the Secretary, Department of Veterans Affairs.

For the reasons set out in the preamble, VA proposes to amend 48 CFR parts 812, 813, and 852 as follows:

PART 812—ACQUISITION OF COMMERCIAL ITEMS

■ 1. The authority citation for part 812 is revised to read as follows:

Authority: 38 U.S.C. 8127–8128; 40 U.S.C. 121(c); 41 U.S.C. 1702 and 48 CFR 1.301–1.304.

Subpart 812.1—Acquisition of Commercial Items—General

■ 2. Section 812.102 is removed.
■ 3. Section 812.102–70 is added to subpart 812.1 to read as follows:

812.102–70 Applicability of veterans preferences.

Based on the authority under 38 U.S.C. 8127 and 8128, the Veterans First Contracting Program in subpart 819.70 applies to VA contracts under this part, and the provisions and clauses prescribed reflect agency unique statutes applicable to the acquisition of commercial items.

Subpart 812.3—Solicitation Provisions and Contract Clauses for the Acquisition of Commercial Items

■ 4. In § 812.301:
■ a. Remove paragraphs (a)–(e).
■ b. Revise paragraph (f) to read as follows:

812.301 Solicitation provisions and contract clauses for the acquisition of commercial items.

(f)(1) Contracting officers shall insert the provision 852.212–70, Provisions Applicable to VA Acquisition of Commercial Items, in all solicitations for commercial acquisitions and check only those provisions that apply to the individual solicitation.

(2) Contracting officers shall insert the clause 852.212–71, Contract Terms and Conditions Applicable to VA Acquisition of Commercial Items, in all solicitations and contracts for commercial acquisitions and check only those clauses that apply to the individual contract.

(3) Contracting officers shall insert the clause 852.212–72, Gray Market Items, in all solicitations and contracts for commercial acquisitions of new medical equipment for VA Medical Centers and that include FAR provisions 52.212–1, Instruction to Offerors—Commercial Items, and 52.212–2, Evaluation—Commercial Items.

812.302 [Removed]

■ 5. Section 812.302 is removed.

* * * * *

PART 813—SIMPLIFIED ACQUISITION PROCEDURES

■ 6. The authority citation for part 813 is revised to read as follows:

Authority: 38 U.S.C. 8127–8128; 40 U.S.C. 121(c); 41 U.S.C. 1702 and 48 CFR 1.301–1.304.

813.003–70 [Added]

■ 7. Section 813.003–70 is added to read as follows:

813.003–70 Policy.

(a) The Veterans First Contracting Program in subpart 819.70 applies to VA contracts (see FAR 2.101, Definitions) under this part and has precedence over other small business programs referenced in FAR part 19.

(b) Notwithstanding FAR 13.003(b)(2), the contracting officer shall make an award utilizing the priorities for veteran-owned small businesses as implemented within the VA hierarchy of small business program preferences, the Veterans First Contracting Program in subpart 819.70. Specifically, the contracting officer shall consider preferences for verified service-disabled veteran-owned small businesses (SDVOSBs) first, then preferences for verified veteran-owned small businesses (VOSBs). These priorities will be followed by preferences for other small businesses in accordance with FAR 19.203, and 819.7004.

(c) When using competitive procedures, the preference for restricting competition to verified SDVOSBs or VOSBs is mandatory whenever market research provides a reasonable expectation of receiving two or more offers/quotes from eligible, capable and verified SDVOSBs or VOSBs at fair and reasonable prices that offer best value to the Government.

(1) Pursuant to 38 U.S.C. 8127, contracts under this part shall be set-aside for SDVOSBs or VOSBs, when supported by market research.

Contracting officers shall use the applicable set-aside clause prescribed at 819.7009.

(2) Pursuant to 38 U.S.C. 8128 and to the extent that market research does not support an SDVOSB or VOSB set-aside, the contracting officer shall include evaluation factors as prescribed at 815.304 and the evaluation criteria clause prescribed at 815.304–71(a).

(d) The SDVOSB and VOSB eligibility requirements in part 819.7003 apply, including verification of the SDVOSB and VOSB status of an offeror or awardee at the time of submission of offer/quote and prior to award. The offeror must also represent that it meets the small business size standard for the assigned North American Industry Classification Code System (NAICS) code and other small business requirements in FAR part 19 (*e.g.* subcontracting limitations and non-manufacturer rule).

Subpart 813.1—Procedures

813.102 [Added]

■ 8. Section 813.102 is added to subpart 813.1 to read as follows:

813.102 Source list.

Pursuant to 819.7003, contracting officers shall use the Vendor Information Pages (VIP) database to verify SDVOSB/VOSB status.

813.106 [Amended]

■ 9. In § 813.106 remove paragraphs (a) and (b) and to retain the section heading.

■ 10. Section 813.106–3 is removed.

■ 11. Section 813.106–70 is revised to read as follows:

813.106–70 Soliciting competition, evaluation of quotations or offers, award and documentation—the Veterans First Contracting Program.

(a) *General.* When using competitive procedures under this part, the contracting officer shall use the Veterans First Contracting Program in subpart 819.70 and the guidance set forth in 813.003–70.

(b) Pursuant to 38 U.S.C 8127(b), contracting officers may use other than competitive procedures to enter into a contract with a verified SDVOSB or VOSB for procurements under the simplified acquisition threshold.

(c) For procurements above the simplified acquisition threshold, pursuant to 38 U.S.C. 8127(c), contracting officers may also award a contract under this part to a firm verified under the Veterans First Contracting Program at subpart 819.70, using procedures other than competitive procedures if—

(1) Such concern is determined to be a responsible source with respect to performance of such contract opportunity;

(2) The anticipated award price of the contract (including options) will exceed the simplified acquisition threshold, but will not exceed $5,000,000; and

(3) In the estimation of the contracting officer, the contract award can be made at a fair and reasonable price that offers overall best value to the government.

Subpart 813.2—Actions at or Below the Micro-Purchase Threshold

813.202 [Removed]

■ 12. Section 813.202 is removed.

■ 13. Section 813.203 is added to subpart 813.2 to read as follows:

813.203 Purchase guidelines.

Micro-purchases shall be equitably distributed among all qualified Service-Disabled Veteran-Owned Small Businesses (SDVOSBs) or Veteran-Owned Small Businesses (VOSBs), respectively, to the maximum extent practicable.

Subpart 813.3—Simplified Acquisition Methods

813.302 [Removed]

■ 14. Section 813.302 is removed.

813.302–5 [Removed]

■ 15. Section 813.302–5 is removed.

■ 16. Section 813.305–70 is added to subpart 813.3 to read as follows:

813.305–70 VA's imprest funds and third party drafts policy.

VA's Government-wide commercial purchase card and/or convenience checks shall be used in lieu of imprest funds and third party drafts.

813.307 [Removed]

■ 17. Section 813.307 is removed.

PART 852—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

■ 18. The authority citation for part 852 is revised to read as follows:

Authority: 38 U.S.C. 8127–8128, and 8151–8153; 40 U.S.C. 121(c); 41 U.S.C. 1121(c)(3), and 1702; and 48 CFR 1.301–1.304.

Subpart 852.2—Texts of Provisions and Clauses

■ 19. Section 852.212–70 is added to subpart 852.2 to read as follows:

852.212–70 Provisions applicable to VA acquisition of commercial items.

As prescribed in 812.301(f)(1), insert the following provision:

Provisions Applicable to VA Acquisition of Commercial Items (Date)

The Contractor agrees to comply with any provision that is incorporated herein by reference or full text to implement agency policy applicable to acquisition of commercial items or components. The following provisions that have been checked by the contracting officer are incorporated by reference or in full text; text requiring fill-ins is shown under the provision's title:

____8 852.209–70, Organizational Conflicts of Interest.

____8 852.214–71, Restrictions on Alternate Item(s).

____8 852.214–72, Alternate Item(s).

Bids on _____[*Contracting officer will insert an alternate item that is considered acceptable.*] will be given equal consideration along with bids on _____ [*Contracting officer will insert the required item and item number.*] and any such bids received may be accepted if to the advantage of the Government. Tie bids will be decided in favor of _____. [*Contracting officer will insert the required item and item number.*]

(End of provision)

____8 852.214–73, Alternate Packaging and Packing.

____8 852.214–74, Bid Samples.

____8 852.215–70, Service-Disabled Veteran-Owned and Veteran-Owned Small Business Evaluation Factors.

____8 852.233–70, Protest Content/Alternative Dispute Resolution.

____8 852.233–71, Alternate Protest Procedure.

____8 852.247–70, Determining Transportation Costs for Bid Evaluation.

For the purpose of evaluating bids and for no other purpose, the delivered price per unit will be determined by adding the nationwide average transportation charge to the f.o.b. origin bid prices. The nationwide average transportation charge will be determined by applying the following formula: Multiply the guaranteed shipping weight by the freight, parcel post, or express rate, whichever is proper, to each destination shown below and then multiply the resulting transportation charges by the anticipated demand factor shown for each destination. Total the resulting weighted transportation charges for all destinations and divide the total by 20 to give the nationwide average transportation charge.

Anticipated Demand

Area destination	Factor
Oakland, California	3
Dallas, Texas	2
Omaha, Nebraska	3
Fort Wayne, Indiana	4
Atlanta, Georgia	3
New York, New York	5
Total of Factors	20

(End of provision)

____8 852.270–1, Representatives of Contracting Officers.

____8 852.273–70, Late Offers.

____8 852.273–71, Alternative Negotiation Techniques.
____8 852.273–72, Alternative Evaluation.
____8 852.273–73, Evaluation—Health-Care Resources.
____8 852.273–74, Award Without Exchanges.

■ 20. Section 852.212–71 is added to read as follows:

852.212–71 Contract terms and conditions applicable to VA acquisition of commercial items.

As prescribed in 812.301(f)(2), insert the following clause:

Contract Terms and Conditions Applicable to VA Acquisition of Commercial Items (Date)

(a) The Contractor agrees to comply with any clause that is incorporated herein by reference to implement agency policy applicable to acquisition of commercial items or components. The following clauses that have been checked by the contracting officer are incorporated by reference; text requiring fill-ins is shown under the clause's title:

____8 852.203–70, Commercial Advertising.
____8 852.215–70, Service-Disabled Veteran-Owned and Veteran-Owned Small Business Evaluation Factors.
____8 852.215–71, Evaluation Factor Commitments.
____8 852.219–9, VA Small Business Subcontracting Plan Minimum Requirements.
____8 852.219–10, VA Notice of Total Service-Disabled Veteran-Owned Small Business Set-Aside.
____8 852.219–11, VA Notice of Total Veteran-Owned Small Business Set-Aside.
____8 852.222–70, Contract Work Hours and Safety Standards Act—Nursing Home Care Contract Supplement.
____8 852.229–70, Sales and Use Taxes.
____8 852.232–72, Electronic Submission of Payment Requests.
____8 852.237–7, Indemnification and Medical Liability Insurance.
____8 852.237–70, Contractor Responsibilities.

The contractor shall obtain all necessary licenses and/or permits required to perform this work. He/she shall take all reasonable precautions necessary to protect persons and property from injury or damage during the performance of this contract. He/she shall be responsible for any injury to himself/herself, his/her employees, as well as for any damage to personal or public property that occurs during the performance of this contract that is caused by his/her employees fault or negligence, and shall maintain personal liability and property damage insurance having coverage for a limit as required by the laws of the State of ____[*Insert name of State*]. Further, it is agreed that any negligence of the Government, its officers, agents, servants and employees, shall not be the responsibility of the contractor hereunder with the regard to any claims, loss, damage, injury, and liability resulting therefrom.

(End of clause)

____8 852.246–70, Guarantee.

The contractor guarantees the equipment against defective material, workmanship and performance for a period of ____[*Normally, insert one year. If industry policy covers a shorter or longer period, i.e., 90 days or for the life of the equipment, insert such period.*], said guarantee to run from date of acceptance of the equipment by the Government. The contractor agrees to furnish, without cost to the Government, replacement of all parts and material that are found to be defective during the guarantee period. Replacement of material and parts will be furnished to the Government at the point of installation, if installation is within the continental United States, or f.o.b. the continental U.S. port to be designated by the contracting officer if installation is outside of the continental United States. Cost of installation of replacement material and parts shall be borne by the contractor. [*The above clause will be modified to conform to standards of the industry involved.*]

(End of clause)

____8 852.246–71, Inspection.
____8 852.246–72, Frozen Processed Foods.
____8 852.246–73, Noncompliance with Packaging, Packing, and/or Marking Requirements.
____8 852.270–2, Bread and Bakery Products—Quantities.
____8 852.270–3, Purchase of Shellfish.
____8 852.271–72, Time Spent by Counselee in Counseling Process.
____8 852.271–73, Use and Publication of Counseling Results.
____8 852.271–74, Inspection.
____8 852.271–75, Extension of Contract Period.

(b) All requests for quotations, solicitations, and contracts for commercial item services to be provided to beneficiaries must include the following clause at

____8 852.271–70, Nondiscrimination in Services Provided to Beneficiaries.

(End of clause)

■ 21. Section 852.212–72 is added to subpart 852.2 to read as follows:

852.212–72 Gray Market Items.

As prescribed in 812.301(f)(3), insert the following provision in solicitations and contracts for new medical equipment for VA Medical Centers and that include FAR provisions 52.212–1, Instruction to Offerors—Commercial Items, and 52.212–2, Evaluation—Commercial Items:

Gray Market Items (Date)

(a) Gray market items are Original Equipment Manufacturers' (OEM) goods sold through unauthorized channels in direct competition with authorized distributors. This procurement is for new OEM medical equipment only for VA Medical Centers. No remanufactures or gray market items will be acceptable.

(b) Vendor shall be an OEM, authorized dealer, authorized distributor or authorized reseller for the proposed equipment/system, verified by an authorization letter or other documents from the OEM, such that the OEM's warranty and service are provided and maintained by the OEM. All software licensing, warranty and service associated with the equipment/system shall be in accordance with the OEM terms and conditions.

(End of clause)

[FR Doc. 2018–00169 Filed 1–10–18; 8:45 am]

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Notices

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Thursday, January 11, 2018

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF AGRICULTURE

Submission for OMB Review; Comment Request

January 8, 2018.

The Department of Agriculture has submitted the following information collection requirement(s) to OMB for review and clearance under the Paperwork Reduction Act of 1995, Public Law 104–13. Comments are requested regarding (1) whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (2) the accuracy of the agency's estimate of burden including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility and clarity of the information to be collected; and (4) ways to minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Comments regarding this information collection received by February 12, 2018 will be considered. Written comments should be addressed to: Desk Officer for Agriculture, Office of Information and Regulatory Affairs, Office of Management and Budget (OMB), New Executive Office Building, 725 17th Street NW, Washington, DC 20502. Commenters are encouraged to submit their comments to OMB via email to: *OIRA_Submission@OMB.EOP.GOV* or fax (202) 395–5806 and to Departmental Clearance Office, USDA, OCIO, Mail Stop 7602, Washington, DC 20250–7602. Copies of the submission(s) may be obtained by calling (202) 720–8958.

An agency may not conduct or sponsor a collection of information unless the collection of information displays a currently valid OMB control number and the agency informs potential persons who are to respond to the collection of information that such persons are not required to respond to the collection of information unless it displays a currently valid OMB control number.

Animal and Plant Health Inspection Service

Title: Importation of Tomatoes from France, Morocco, Western Sahara, Chile, and Spain.

Control Number: 0579–0131.

Summary of Collection: The Plant Protection Act (PPA, 7 U.S.C. 7701 *et seq.*) authorizes the Secretary of Agriculture to restrict the importation, entry, or interstate movement of plants, plant products, and other articles within the United States to prevent the introduction of plant pests or their dissemination. The Animal and Plant Health Inspection Service (APHIS) Plant Protection and Quarantine (PPQ) Program enforces the Act by regulating the importation of fruits and vegetables into the United States. These regulations are found in Section 319 of the Code of Federal Regulations (CFR) under ''Subpart—Fruits and Vegetables'' (7 CFR 319.56–1 through 319.56–80). Under § 319.56–28, fresh tomatoes from France, Morocco, Western Sahara, Chile, and Spain may be imported into the continental United States under certain conditions that prevent the introduction of plant pests into the country.

Need and Use of the Information: APHIS will use information collection activities and actions to ensure these conditions are met. These activities include greenhouse, production site, and treatment facility registration; a trust fund agreement; documented quality control program; box labeling; application for import permit; appeal of denial or revocation of a permit; notice of arrival; emergency action notification; and recordkeeping. Also, consignments of tomatoes must be accompanied by phytosanitary certificates issued by the National Plant Protection Organization (NPPO) or similar agency of the country of origin with an additional declaration stating that the provisions of § 319.56–28 for the respective country have been met. These activities for this commodity are the minimum necessary to protect crops and the agriculture industry from dangerous plant pests and diseases.

Description of Respondents: Growers, Importers, and Foreign Governments.

Number of Respondents: 20.

Frequency of Responses: Recordkeeping; Reporting: On occasion; Third party disclosure.

Total Burden Hours: 2,832.

Animal and Plant Health Inspection Service

Title: Importation of Litchi and Longan Fruit from Vietnam into the Continental United States

OMB Control Number: 0579–0387.

Summary of Collection: Under the Plant Protection Act (PPA) (7 U.S.C 7701— *et seq*), the Secretary of Agriculture is authorized to restrict the importation, entry, or interstate movement of plants, plant products, and other articles within the United States to prevent the introduction of plant pests or their dissemination. The Animal and Plant Health Inspection Service (APHIS) Plant Protection and Quarantine (PPQ) Program enforces the Act by regulating the importation of fruits and vegetables into the United States.

Need and Use of the Information: Under § 319.56–70, litchi and longan fruit from Vietnam may be imported into the continental United States except Florida only under certain conditions to ensure it is free of insect plant pests and disease. The following information collection activities are used to ensure these conditions are met: Application for Permit to Import Plant or Plant Products; Appeal of Denial or Revocation of Permit; Orchard Registration; Labeling ''Not for Importation into or Distribution in F''; Phytosanitary Certificate with Additional Declaration; Notice of Arrival; Emergency Action Notification; and Recordkeeping.

Description of Respondents: Business or other for-profit; Federal Government.

Number of Respondents: 7.

Frequency of Responses: Recordkeeping; Reporting: On occasion.

Total Burden Hours: 31,019

Ruth Brown,

Departmental Information Collection Clearance Officer.

[FR Doc. 2018–00334 Filed 1–10–18; 8:45 am]

BILLING CODE 3410–34–P

COMMISSION ON CIVIL RIGHTS

Notice of Public Meeting of the Indiana Advisory Committee to the U.S. Commission on Civil Rights

AGENCY: U.S. Commission on Civil Rights.

ACTION: Announcement of meeting.

SUMMARY: Notice is hereby given, pursuant to the provisions of the rules and regulations of the U.S. Commission on Civil Rights (Commission) and the Federal Advisory Committee Act that the Indiana Advisory Committee (Committee) will hold a meeting on Wednesday January 17, 2018, at 3:00pm EST for the purpose of preparing for its public meeting on voting rights issues in the state.

DATES: The meeting will be held on Wednesday, January 17, 2018, at 3:00 p.m. EST.

Public Call Information: Dial: 888–427–9419, Conference ID: 8580382.

FOR FURTHER INFORMATION CONTACT: Melissa Wojnaroski, DFO, at *mwojnaroski@usccr.gov* or 312–353–8311.

SUPPLEMENTARY INFORMATION: Members of the public can listen to the discussion. This meeting is available to the public through the above listed toll free number. Any interested member of the public may call this number and listen to the meeting. An open comment period will be provided to allow members of the public to make a statement as time allows. The conference call operator will ask callers to identify themselves, the organization they are affiliated with (if any), and an email address prior to placing callers into the conference room. Callers can expect to incur regular charges for calls they initiate over wireless lines, according to their wireless plan. The Commission will not refund any incurred charges. Callers will incur no charge for calls they initiate over land-line connections to the toll-free telephone number. Persons with hearing impairments may also follow the proceedings by first calling the Federal Relay Service at 1–800–877–8339 and providing the Service with the conference call number and conference ID number.

Members of the public are also entitled to submit written comments; the comments must be received in the regional office within 30 days following the meeting. Written comments may be mailed to the Regional Programs Unit Office, U.S. Commission on Civil Rights, 55 W. Monroe St., Suite 410, Chicago, IL 60615. They may also be faxed to the Commission at (312) 353–8324, or emailed to Carolyn Allen at *callen@usccr.gov.* Persons who desire additional information may contact the Regional Programs Unit Office at (312) 353–8311.

Records generated from this meeting may be inspected and reproduced at the Regional Programs Unit Office, as they become available, both before and after the meeting. Records of the meeting will be available via *www.facadatabase.gov* under the Commission on Civil Rights, Indiana Advisory Committee link (*http://www.facadatabase.gov/committee/meetings.aspx?cid=247*). Persons interested in the work of this Committee are directed to the Commission's website, *http://www.usccr.gov,* or may contact the Regional Programs Unit Office at the above email or street address.

Agenda

Welcome and Roll Call
Discussion: Voting Rights in Indiana
Public Comment
Future Plans and Actions
Adjournment

Exceptional Circumstance: Pursuant to 41 CFR 102–3.150, the notice for this meeting is given less than 15 calendar days prior to the meeting because of the exceptional circumstance of this Committee doing work on the FY 2018 statutory enforcement report.

Dated: January 8, 2017.

David Mussatt,

Supervisory Chief, Regional Programs Unit.

[FR Doc. 2018–00377 Filed 1–10–18; 8:45 am]

BILLING CODE P

DEPARTMENT OF COMMERCE

Bureau of Industry and Security

Information Systems Technical Advisory Committee; Notice of Partially Closed Meeting

The Information Systems Technical Advisory Committee (ISTAC) will meet on January 24 and 25, 2018, 9:00 a.m., in the Herbert C. Hoover Building, Room 3884, 14th Street between Constitution and Pennsylvania Avenues NW, Washington, DC. The Committee advises the Office of the Assistant Secretary for Export Administration on technical questions that affect the level of export controls applicable to information systems equipment and technology.

Wednesday, January 24

Open Session

1. Welcome and Introductions
2. Working Group Reports
3. Old Business
4. Industry Presentation: Learnings from Semiconductor and Device Roadmaps: 10, 7, 5nm and beyond
5. Industry Presentation: Fab Process Overview/Walkthrough
6. Industry Presentation: SQL Injection
7. Industry Presentation: State-of-the-Art in Supercomputing and the TOP500 systems

Thursday, January 25

Closed Session

8. Discussion of matters determined to be exempt from the provisions relating to public meetings found in 5 U.S.C. app. 2 10(a)(1) and 10(a)(3).

The open sessions will be accessible via teleconference to 25 participants on a first come, first serve basis. To join the conference, submit inquiries to Ms. Yvette Springer at *Yvette.Springer@bis.doc.gov* no later than, January 17, 2018.

A limited number of seats will be available for the public session. Reservations are not accepted. To the extent that time permits, members of the public may present oral statements to the Committee. The public may submit written statements at any time before or after the meeting. However, to facilitate the distribution of public presentation materials to the Committee members, the Committee suggests that presenters forward the public presentation materials prior to the meeting to Ms. Springer via email.

The Assistant Secretary for Administration, with the concurrence of the delegate of the General Counsel, formally determined on January 5, 2018, pursuant to Section 10(d) of the Federal Advisory Committee Act, as amended (5 U.S.C. app. 2 (10)(d)), that the portion of the meeting concerning trade secrets and commercial or financial information deemed privileged or confidential as described in 5 U.S.C. 552b(c)(4) and the portion of the meeting concerning matters the disclosure of which would be likely to frustrate significantly implementation of an agency action as described in 5 U.S.C. 552b(c)(9)(B) shall be exempt from the provisions relating to public meetings found in 5 U.S.C. app. 2 10(a)(1) and 10(a)(3). The remaining portions of the meeting will be open to the public.

For more information, call Yvette Springer at (202) 482–2813.

Yvette Springer,

Committee Liaison Officer.

[FR Doc. 2018–00293 Filed 1–10–18; 8:45 am]

BILLING CODE 3510–JT–P

DEPARTMENT OF COMMERCE

International Trade Administration

Initiation of Antidumping and Countervailing Duty Administrative Reviews

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) has received requests to conduct administrative reviews of various antidumping and countervailing duty orders and findings with November anniversary dates. In accordance with Commerce's regulations, we are initiating those administrative reviews.

DATES: Applicable January 11, 2018.

FOR FURTHER INFORMATION CONTACT: Brenda E. Brown, Office of AD/CVD Operations, Customs Liaison Unit, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230, telephone: (202) 482–4735.

SUPPLEMENTARY INFORMATION:

Background

Commerce has received timely requests, in accordance with 19 CFR 351.213(b), for administrative reviews of various antidumping and countervailing duty orders and findings with November anniversary dates.

All deadlines for the submission of various types of information, certifications, or comments or actions by Commerce discussed below refer to the number of calendar days from the applicable starting time.

Notice of No Sales

If a producer or exporter named in this notice of initiation had no exports, sales, or entries during the period of review (POR), it must notify Commerce within 30 days of publication of this notice in the **Federal Register**. All submissions must be filed electronically at *http://access.trade.gov* in accordance with 19 CFR 351.303.[1] Such submissions are subject to verification in accordance with section 782(i) of the Tariff Act of 1930, as amended (the Act). Further, in accordance with 19 CFR 351.303(f)(1)(i), a copy must be served on every party on Commerce's service list.

Respondent Selection

In the event Commerce limits the number of respondents for individual examination for administrative reviews initiated pursuant to requests made for the orders identified below, Commerce intends to select respondents based on U.S. Customs and Border Protection (CBP) data for U.S. imports during the period of review. We intend to place the CBP data on the record within five days of publication of the initiation notice and to make our decision regarding respondent selection within 30 days of publication of the initiation **Federal Register** notice. Comments regarding the CBP data and respondent selection should be submitted seven days after the placement of the CBP data on the record of this review. Parties wishing to submit rebuttal comments should submit those comments five days after the deadline for the initial comments.

In the event Commerce decides it is necessary to limit individual examination of respondents and conduct respondent selection under section 777A(c)(2) of the Act:

In general, Commerce has found that determinations concerning whether particular companies should be ''collapsed'' (*e.g.,* treated as a single entity for purposes of calculating antidumping duty rates) require a substantial amount of detailed information and analysis, which often require follow-up questions and analysis. Accordingly, Commerce will not conduct collapsing analyses at the respondent selection phase of this review and will not collapse companies at the respondent selection phase unless there has been a determination to collapse certain companies in a previous segment of this antidumping proceeding (*e.g.,* investigation, administrative review, new shipper review or changed circumstances review). For any company subject to this review, if Commerce determined, or continued to treat, that company as collapsed with others, Commerce will assume that such companies continue to operate in the same manner and will collapse them for respondent selection purposes. Otherwise, Commerce will not collapse companies for purposes of respondent selection. Parties are requested to (a) identify which companies subject to review previously were collapsed, and (b) provide a citation to the proceeding in which they were collapsed. Further, if companies are requested to complete the Quantity and Value (Q&V) Questionnaire for purposes of respondent selection, in general each company must report volume and value data separately for itself. Parties should not include data for any other party, even if they believe they should be treated as a single entity with that other party. If a company was collapsed with another company or companies in the most recently completed segment of this proceeding where Commerce considered collapsing that entity, complete Q&V data for that collapsed entity must be submitted.

Deadline for Withdrawal of Request for Administrative Review

Pursuant to 19 CFR 351.213(d)(1), a party that has requested a review may withdraw that request within 90 days of the date of publication of the notice of initiation of the requested review. The regulation provides that Commerce may extend this time if it is reasonable to do so. In order to provide parties additional certainty with respect to when Commerce will exercise its discretion to extend this 90-day deadline, interested parties are advised that Commerce does not intend to extend the 90-day deadline unless the requestor demonstrates that an extraordinary circumstance has prevented it from submitting a timely withdrawal request. Determinations by Commerce to extend the 90-day deadline will be made on a case-by-case basis.

Separate Rates

In proceedings involving non-market economy (NME) countries, Commerce begins with a rebuttable presumption that all companies within the country are subject to government control and, thus, should be assigned a single antidumping duty deposit rate. It is Commerce's policy to assign all exporters of merchandise subject to an administrative review in an NME country this single rate unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate.

To establish whether a firm is sufficiently independent from government control of its export activities to be entitled to a separate rate, Commerce analyzes each entity exporting the subject merchandise. In accordance with the separate rates criteria, Commerce assigns separate rates to companies in NME cases only if respondents can demonstrate the absence of both *de jure* and *de facto* government control over export activities.

All firms listed below that wish to qualify for separate rate status in the administrative reviews involving NME countries must complete, as appropriate, either a separate rate application or certification, as described below. For these administrative reviews,

[1] *See Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures,* 76 FR 39263 (July 6, 2011).

in order to demonstrate separate rate eligibility, Commerce requires entities for whom a review was requested, that were assigned a separate rate in the most recent segment of this proceeding in which they participated, to certify that they continue to meet the criteria for obtaining a separate rate. The Separate Rate Certification form will be available on Commerce's website at *http://enforcement.trade.gov/nme/nme-sep-rate.html* on the date of publication of this **Federal Register** notice. In responding to the certification, please follow the ''Instructions for Filing the Certification'' in the Separate Rate Certification. Separate Rate Certifications are due to Commerce no later than 30 calendar days after publication of this **Federal Register** notice. The deadline and requirement for submitting a Certification applies equally to NME-owned firms, wholly foreign-owned firms, and foreign sellers who purchase and export subject merchandise to the United States.

Entities that currently do not have a separate rate from a completed segment of the proceeding [2] should timely file a Separate Rate Application to demonstrate eligibility for a separate rate in this proceeding. In addition, companies that received a separate rate in a completed segment of the proceeding that have subsequently made changes, including, but not limited to, changes to corporate structure, acquisitions of new companies or facilities, or changes to their official company name,[3] should timely file a Separate Rate Application to demonstrate eligibility for a separate rate in this proceeding. The Separate Rate Status Application will be available on Commerce's website at *http://enforcement.trade.gov/nme/nme-sep-rate.html* on the date of publication of this **Federal Register** notice. In responding to the Separate Rate Status Application, refer to the instructions contained in the application. Separate Rate Status Applications are due to Commerce no later than 30 calendar days of publication of this **Federal Register** notice. The deadline and requirement for submitting a Separate Rate Status Application applies equally to NME-owned firms, wholly foreign-owned firms, and foreign sellers that purchase and export subject merchandise to the United States.

For exporters and producers who submit a separate-rate status application or certification and subsequently are selected as mandatory respondents, these exporters and producers will no longer be eligible for separate rate status *unless* they respond to all parts of the questionnaire as mandatory respondents.

Initiation of Reviews

In accordance with 19 CFR 351.221(c)(1)(i), we are initiating administrative reviews of the following antidumping and countervailing duty orders and findings. We intend to issue the final results of these reviews not later than November 30, 2018.

	Period to be reviewed
Antidumping Duty Proceedings	
India: Welded Stainless Pressure Pipe A–533–876	5/10/16–10/31/17
Apex Tubes Private Ltd.	
Apurvi Industries	
Arithat Tubes	
Bhandari Foils & Tubes, Ltd.	
Divine Tubes Pvt. Ltd.	
Heavy Metal & Tubes	
Hindustan Inox Ltd.	
J.S.S. Steelitalia Ltd.	
Linkwell Seamless Tubes Private Limited	
Maxim Tubes Company Pvt. Ltd.	
MBM Tubes Pvt. Ltd.	
Mukat Tanks & Vessel Ltd.	
Neotiss Ltd.	
Prakash Steelage Ltd.	
Quality Staniless Pvt. Ltd.	
Raajratna Metal Industries Ltd.	
Ratnadeep Metal & Tubes Ltd.	
Ratnamani Metals & Tubes Ltd.	
Remi Edelstahl Tubulars	
Shubhlaxmi Metals & Tubes Private Limited	
SLS Tubes Pvt. Ltd.	
Steamline Industries Ltd.	
Indonesia: Monosodium Glutamate A–560–826	11/1/16–10/31/17
PT Cheil Jedang Indonesia	
PT Miwon Indonesia	
Mexico: Certain Circular Welded Non-Alloy Steel Pipes and Tubes A–201–805	11/1/16–10/31/17
Acerorey	
Arcelormittal Monterrey	
Arco Metal	
Fischer Mexicana	
Forza Steel	
Mach 1 Aero Servicios S De RL De Cv	
Nacional De Acero	
Nova Steel	
Perfiles Y Herrajes	

[2] Such entities include entities that have not participated in the proceeding, entities that were preliminarily granted a separate rate in any currently incomplete segment of the proceeding (*e.g.,* an ongoing administrative review, new shipper review, *etc.*) and entities that lost their separate rate in the most recently completed segment of the proceeding in which they participated.

[3] Only changes to the official company name, rather than trade names, need to be addressed via a Separate Rate Application. Information regarding new trade names may be submitted via a Separate Rate Certification.

	Period to be reviewed
Precitubo	
Procarsa	
Productos Especializados De Acero	
Productos Laminados de Monterrey, S.A. de C.V.	
PYTCO, S.A. de C.V.	
Regiomontana de Perfiles y Tubos, S.A. de C.V.	
Rymco Conduit S.A. De C.V.	
Swecomex S.A. De C.V.	
Ternium Tuberia	
Tubac	
Tubacero	
Tuberia Laguna	
Tubesa	
Tubos Omega	
Tumex	
Villacero Tuna	
Mexico: Steel Concrete Reinforcing Bar A–201–844	11/1/16–10/31/17
Deacero S.A.P.I de C.V.	
Grupo Simec	
Simec International 6 S.A. de C.V.	
Orge S.A. de C.V.	
Industrias CH	
Ternium Mexico, S.A. de C.V.	
ArcelorMittal Lazaro Cardenas S.A. de C.V.	
Cia Siderurgica De California, S.A. de C.V.	
Siderurgica Tultitlan S.A. de C.V.	
Talleres y Aceros, S.A. de C.V.	
Grupo Villacero S.A. de C.V.	
AceroMex S.A.	
ArcelorMittal Celaya	
ArcerlorMittal Cordoba S.A. de C.V.	
Simec International 6 S.A. de C.V.	
Republic of Korea: Circular Welded Non-Alloy Steel Pipe A–580–809	11/1/16–10/31/17
Aju Besteel	
Bookook Steel	
Chang Won Bending	
Dae Ryung	
Daewoo Shipbuilding & Marine Engineering (Dsme)	
Daiduck Piping	
Dong Yang Steel Pipe	
Dongbu Steel	
Eew Korea Company	
Histeel	
Husteel	
Hyundai Rb	
Hyundai Steel (Pipe Divison)	
Hyundai Steel Company	
Kiduck Industries	
Kum Kang Kind	
Kumsoo Connecting	
Miju Steel Mfg	
Nexteel	
Samkang M&T	
Seah Fs	
Seah Steel	
Steel Flower	
Vesta Co., Ltd.	
Yep Co.	
Taiwan: Certain Circular Welded Non-Alloy Steel Pipe A–583–814	11/1/16–10/31/17
Chung Hung Steel	
Femco	
Founder Land	
Kao Hsing Chang Iron & Steel Corp.	
Kounan Steel	
Luen Jin	
Mayer Steel Pipe	
Shin Yang Steel	
Tension Steel Industries	
Vulcan Industrial	
Wan Chi Steel Industrial	
The People's Republic of China: Diamond Sawblades and Parts Thereof A–570–900	11/1/16–10/31/17
ASHINE Diamond Tools Co., Ltd.	
Bosun Tools Co., Ltd.	
Chengdu Huifeng New Material Technology Co., Ltd.[4]	

	Period to be reviewed
Danyang City Ou Di Ma Tools Co., Ltd.	
Danyang Hantronic Import & Export Co., Ltd.	
Danyang Huachang Diamond Tools Manufacturing Co., Ltd.	
Danyang Like Tools Manufacturing Co., Ltd.	
Danyang NYCL Tools Manufacturing Co., Ltd.	
Danyang Tsunda Diamond Tools Co., Ltd.	
Danyang Weiwang Tools Manufacturing Co., Ltd.	
Danyang Youhe Tool Manufacturer Co., Ltd.	
Guilin Tebon Superhard Material Co., Ltd.	
Hangzhou Deer King Industrial and Trading Co., Ltd.	
Hangzhou Kingburg Import & Export Co., Ltd.	
Hebei XMF Tools Group Co., Ltd.	
Henan Huanghe Whirlwind Co., Ltd.	
Henan Huanghe Whirlwind International Co., Ltd.	
Hong Kong Hao Xin International Group Limited	
Hubei Changjiang Precision Engineering Materials Technology Co., Ltd.	
Hubei ShengBaiRui Diamond Tools Co., Ltd.	
Husqvarna (Hebei) Co., Ltd.	
Huzhou Gu's Import & Export Co., Ltd.	
Jiangsu Fengtai Single Entity [5]	
Jiangsu Huachang Tools Manufacturing Co., Ltd.	
Jiangsu Inter-China Group Corporation	
Jiangsu Youhe Tool Manufacturer Co., Ltd.	
Orient Gain International Limited	
Pantos Logistics (HK) Company Limited	
Pujiang Talent Diamond Tools Co., Ltd.	
Qingdao Hyosung Diamond Tools Co., Ltd.	
Qingdao Shinhan Diamond Industrial Co., Ltd.	
Qingyuan Shangtai Diamond Tools Co., Ltd.	
Quanzhou Zhongzhi Diamond Tool Co., Ltd.	
Rizhao Hein Saw Co., Ltd.	
Saint-Gobain Abrasives (Shanghai) Co., Ltd.	
Shanghai Jingquan Industrial Trade Co., Ltd.	
Shanghai Starcraft Tools Company Limited	
Sino Tools Co., Ltd.	
Weihai Xiangguang Mechanical Industrial Co., Ltd.	
Wuhan Baiyi Diamond Tools Co., Ltd.	
Wuhan Sadia Trading Co., Ltd.	
Wuhan Wanbang Laser Diamond Tools Co., Ltd.[6]	
Wuhan ZhaoHua Technology Co., Ltd.	
Xiamen ZL Diamond Technology Co., Ltd.	
Zhejiang Wanli Tools Group Co., Ltd.	
The People's Republic of China: Certain Hot-Rolled Carbon Steel Flat Products A–570–865	11/1/16–10/31/17
Baoshan Iron and Steel Co., Ltd.	
Baosteel Group Corporation	
Shanghai Baosteel International Economic & Trading Co., Ltd.	
Shanghai Meishan Iron & Steel	
Union Steel China	
The People's Republic of China: Fresh Garlic A–570–831	11/1/16–10/31/17
Bestway Logistics Inc.	
Chengwu County Yuanxiang Industry & Commerce Co., Ltd.	
Chengwu Yuanxiang Industry and Commerce Co., Ltd.	
China Union Agri. (Qingdao) Co., Ltd.	
Dongying Richmond International	
Foshan Fuyi Food Co., Ltd.	
Hebei Golden Bird Trading Co., Ltd.	
Jiangyoung Gunagfa Vegetable Professional Cooperation	
Jinan Farmlady Trading Co., Ltd.	
Jining Alpha Food Co., Ltd.	
Jining City Billion Garlic Products Co., Ltd.	
Jining New Silk Road Food Co., Ltd.	
Jining Rich Farmer International	
Jining Shengtai Fruits & Vegetables Co., Ltd.	
Jining Shunchang Import & Export Co., Ltd.	
Jining Yifa Garlic Produce Co., Ltd.	
Jining Yongjia Trade Co., Ltd.	
Jinxiang County Jinji Trade Co., Ltd.	
Jinxiang Feiteng Import & Export Co., Ltd.	
Jinxiang Hejia Co., Ltd.	
Jinxiang Hongyu Freezing & Storing Co., Ltd.	
Jinxiang Kingkey Trade Co., Ltd.	
Jinxiang Richfar Fruits & Vegetables Co., Ltd.	
Juxian Huateng Organic Ginger Co., Ltd.	
Laiwu Ever Green Food Co., Ltd.	

	Period to be reviewed
Lanling Xinxinyuan Food Co., Ltd.	
Pinacle Sourcing & Marketing, Ltd.	
Qingdao Gabsan Trading Co., Ltd.	
Qingdao Jiashan Trading Co., Ltd.	
Qingdao Joinseafoods	
Qingdao Justop Industries and Trading Co., Ltd.	
Qingdao Lianghe International Trade Co., Ltd.	
Qingdao Maycarrier Import & Export Co., Ltd.	
Qingdao Ritai Food Co., Ltd.	
Qingdao Sea-Line International Trading Co., Ltd.	
Qingdao Tiantaixing Foods Co., Ltd.	
Qingdao Xintianfeng Foods Co., Ltd.	
Shandong Chenhe International Trading Co., Ltd.	
Shandong Galaxy International	
Shandong Happy Foods Co., Ltd.	
Shandong Helu International Trade Co., Ltd.	
Shandong Jinxiang Zhengyang Import & Export Co., Ltd.	
Shandong Lejianda Food Co., Ltd.	
Shenzhen Bainong Co., Ltd.	
Shenzhen Xinboda Industrial Co., Ltd.	
Shijiazhuang Goodman Trading Co., Ltd.	
Victoria Foods Co., Ltd.	
Weifang Hongqiao International Logistics Co., Ltd.	
Weifang Huashun Import & Export Co., Ltd.	
Weifang Naike Food Co., Ltd.	
Weifang Wangyuan Food Co., Ltd.	
Zhengzhou Harmoni Spice Co., Ltd.	
Zhengzhou Yudishengjin Agricultural Trade Co., Ltd.	
The People's Republic of China: Monosodium Glutamate A–570–992	11/1/16–10/31/17
Anhui Fresh Taste International Trade Co., Ltd.	
Baoji Fufeng Biotechnologies Co., Ltd.	
Blu Logistics (China) Co., Ltd.	
Bonroy Group Limited	
Forehigh Trade and Industry Co. Ltd.	
Fujian Province Jianyang Wuyi MSG Co., Ltd.	
Golden Banyan Foodstuffs Industry Co., Ltd.	
Henan Lotus Flower Gourmet Powder Co.	
Hong Kong Sungiven International Food Co., Limited	
Hulunbeier Northeast Fufeng Biotechnologies Co., Ltd.	
K&S Industry Limited	
King Cheong Hong International	
Langfang Meihua Bio-Technology Co., Ltd.	
Liangshan Linghua Biotechnology Co., Ltd.	
Lotus Health Industry Holding Group	
Meihau Group International Trading (Hong Kong) Limited	
Meihua Holdings Group Co., Ltd., Bazhou Branch	
Neimenggu Fufeng Biotechnologies Co., Ltd.	
Pudong Prime Int'l Logistics, Inc.	
Qinhuangdao Xingtai Trade Co., Ltd.	
S.D. Linghua M.S.G. Incorporated Co.	
Shandong Linghua Monosodium Glutamate Incorporated Company	
Shanghai Totole Food Ltd.	
Shijiazhuang Standard Imp & Exp Co., Ltd.	
Sunrise (HK) International Enterprise Limited	
Tongliao Meihua Biological Sci-Tech Co., Ltd.	
Zhejiang Medicines & Health	
The People's Republic of China: Polyethlene Terephthalate (Pet) Film A–570–924	11/1/16–10/31/17
Fuwei Films (Shandong) Co., Ltd.	
Shaoxing Xiangyu Green Packing Co., Ltd.	
Sichuan Dongfang Insulating Material Co. Ltd.	
Tianjin Wanhua Co., Ltd.	
The People's Republic of China: Seamless Refined Copper Pipe and Tube A–570–964	11/1/16–10/31/17
Golden Dragon Precise Copper Tube Group, Inc.	
United Arab Emirates: Polyethylene Terephthalate (Pet) Film A–520–803	11/1/16–10/31/17
Flex Middle East FZE	
JBF RAK LLC	
Countervailing Duty Proceedings	
India: Welded Stainless Pressure Pipe C–533–868	3/11/16–12/31/16
Sunrise Stainless Private Limited	
Sun Mark Stainless Pvt. Ltd.	
Shah Foils Ltd.	
The People's Republic of China: Certain Passenger Vehicle and Light Truck Tires[7] C–570–017	1/1/16–12/31/16
Kumho Tire Co., Inc.	
The People's Republic of China: Chlorinated Isocyanurates C–570–991/1/16–12/31/16.	

	Period to be reviewed
Heze Huayi Chemical Co. Ltd.	
Juancheng Kangtai Chemical Co., Ltd.	
Turkey: Steel Concrete Reinforcing Bar C–489–819	1/1/16–12/31/16
Acemar International Limited	
Agir Haddecilik A.S.	
As Gaz Sinai ve Tibbi Gazlar A.S.	
Asil Celik Sanayi ve Ticaret A.S.	
Colakoglu Dis Ticaret A.S.	
Colakoglu Metalurji A.S.	
Duferco Investment Services SA	
Duferco Celik Ticaret Limited	
Ege Celik Endustrisi Sanayi ve Ticaret A.S.	
Ekinciler Demir ve Celik Sanayi Anonim Sirketi	
Habas Sinai ve Tibbi Gazlar Istihsal Endustrisi A.S.	
Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S.	
Izmir Demir Celik Sanayi A.S.	
Kaptan Demir Celik Endustrisi ve Ticaret A.S.	
Kaptan Metal Dis Ticaret Ve Nakliyat A.S.	
Kocaer Haddecilik Sanayi Ve Ticar L	
Mettech Metalurji Madencilik Muhendislik Uretim Danismanlik ve Ticaret Limited Sirketi	
MMZ Onur Boru Profil A.S.	
Ozkan Demir Celik Sanayi A.S.	
Wilmar Europe Trading BV	
Suspension Agreements	
None.	

Duty Absorption Reviews

During any administrative review covering all or part of a period falling between the first and second or third and fourth anniversary of the publication of an antidumping duty order under 19 CFR 351.211 or a determination under 19 CFR 351.218(f)(4) to continue an order or suspended investigation (after sunset review), the Secretary, if requested by a domestic interested party within 30 days of the date of publication of the notice of initiation of the review, will determine whether antidumping duties have been absorbed by an exporter or producer subject to the review if the subject merchandise is sold in the United States through an importer that is affiliated with such exporter or producer. The request must include the name(s) of the exporter or producer for which the inquiry is requested.

Gap Period Liquidation

For the first administrative review of any order, there will be no assessment of antidumping or countervailing duties on entries of subject merchandise entered, or withdrawn from warehouse, for consumption during the relevant provisional-measures ''gap'' period, of the order, if such a gap period is applicable to the POR.

Administrative Protective Orders and Letters of Appearance

Interested parties must submit applications for disclosure under administrative protective orders in accordance with the procedures outlined in Commerce's regulations at 19 CFR 351.305. Those procedures apply to administrative reviews included in this notice of initiation. Parties wishing to participate in any of these administrative reviews should ensure that they meet the requirements of these procedures (*e.g.,* the filing of separate letters of appearance as discussed at 19 CFR 351.103(d)).

Factual Information Requirements

Commerce's regulations identify five categories of factual information in 19 CFR 351.102(b)(21), which are summarized as follows: (i) Evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by Commerce; and (v) evidence other than factual information described in (i)–(iv). These regulations require any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct. The regulations, at 19 CFR 351.301, also provide specific time limits for such factual submissions based on the type of factual information being submitted. Please review the final rule, available at *http://enforcement.trade.gov/frn/2013/1304frn/2013-08227.txt,* prior to submitting factual information in this segment.

Any party submitting factual information in an antidumping duty or countervailing duty proceeding must certify to the accuracy and completeness of that information.[8] Parties are hereby reminded that revised certification requirements are in effect for company/government officials as well as their representatives. All segments of any antidumping duty or countervailing duty proceedings initiated on or after August 16, 2013, should use the formats

[4] Commerce determined that Chengdu Huifeng New Material Technology Co., Ltd. is the successor-in-interest to Chengdu Huifeng Diamond Tools Co., Ltd. *See Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Changed Circumstances Review,* 82 FR 60177 (December 19, 2017).

[5] Jiangsu Fengtai Diamond Tool Manufacture Co., Ltd., Jiangsu Fengtai Tools Co., Ltd., and Jiangsu Fengtai Sawing Industry Co., Ltd., comprise the Jiangsu Fengtai Single Entity. *See Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2014–2015,* 82 FR 26912, 26913, n. 5 (June 12, 2017). We received review requests for Jiangsu Fengtai Diamond Tool Manufacture Co., Ltd., and Jiangsu Fengtai Tools Co., Ltd.

[6] Wuhan Wanbang Laser Diamond Tools Co., Ltd., is the successor-in-interest to Wuhan Wanbang Laser Diamond Tools Co. *See Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Changed Circumstances Review,* 81 FR 20618 (April 8, 2016).

[7] This company was inadvertently omitted from the initiation notice that published on October 16, 2017 (82 FR 48051).

[8] *See* section 782(b) of the Act.

for the revised certifications provided at the end of the *Final Rule*.[9] Commerce intends to reject factual submissions in any proceeding segments if the submitting party does not comply with applicable revised certification requirements.

Extension of Time Limits Regulation

Parties may request an extension of time limits before a time limit established under Part 351 expires, or as otherwise specified by the Secretary. *See* 19 CFR 351.302. In general, an extension request will be considered untimely if it is filed after the time limit established under Part 351 expires. For submissions which are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. on the due date. Examples include, but are not limited to: (1) Case and rebuttal briefs, filed pursuant to 19 CFR 351.309; (2) factual information to value factors under 19 CFR 351.408(c), or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2), filed pursuant to 19 CFR 351.301(c)(3) and rebuttal, clarification and correction filed pursuant to 19 CFR 351.301(c)(3)(iv); (3) comments concerning the selection of a surrogate country and surrogate values and rebuttal; (4) comments concerning U.S. Customs and Border Protection data; and (5) quantity and value questionnaires. Under certain circumstances, Commerce may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from multiple parties simultaneously. In such a case, Commerce will inform parties in the letter or memorandum setting forth the deadline (including a specified time) by which extension requests must be filed to be considered timely. This modification also requires that an extension request must be made in a separate, stand-alone submission, and clarifies the circumstances under which Commerce will grant untimely-filed requests for the extension of time limits. These modifications are effective for all segments initiated on or after October 21, 2013. Please review the final rule, available at *http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm,* prior to submitting factual information in these segments.

[9] *See Certification of Factual Information To Import Administration During Antidumping and Countervailing Duty Proceedings,* 78 FR 42678 (July 17, 2013) (*Final Rule*); *see also* the frequently asked questions regarding the *Final Rule,* available at *http://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf.*

These initiations and this notice are in accordance with section 751(a) of the Act (19 U.S.C. 1675(a)) and 19 CFR 351.221(c)(1)(i).

Dated: January 8, 2018.

James Maeder,

Senior Director performing the duties of Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. 2018–00356 Filed 1–10–18; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

National Institute of Standards and Technology

Notice of NIST's Consortium for the Advancement of Genome Editing

AGENCY: National Institute of Standards and Technology.

ACTION: Notice of Research Consortium.

SUMMARY: The National Institute of Standards and Technology (NIST), an agency of the United States Department of Commerce is establishing the Genome Editing Consortium with the goal of bringing together stakeholders across the genome editing community to identify and address measurement and standards needs to support this technical area. The Consortium intends to evaluate genome editing assay pipelines, develop benchmark materials, generate benchmark data, develop suggested minimal information reporting for public studies, and generate a common lexicon for genome editing studies, with the intent these resources can be used to increase confidence in evaluating genome editing and lower the risk to utilizing these technologies in research and commercial products. Participation fees will be at least $20,000 annually or in-kind contributions of equivalent value. Participants will be required to sign a Cooperative Research and Development Agreement (CRADA).

DATES: NIST will accept letters of interest containing required information for participation in this Consortium until January 1, 2020. Acceptance of participants into the Consortium after the Commencement Date will depend on eligibility as determined by NIST based upon the information provided in the letter of interest and upon the availability resources.

ADDRESSES: Information in response to this notice, including completed letters of interest or requests for additional information about the Consortium can be directed via mail to the Consortium Manager, Dr. Samantha Maragh, Biosystems and Biomaterials Division of NIST's Material Measurement Laboratory, 100 Bureau Drive, Mail Stop 8312, Gaithersburg, Maryland 20899, or via electronic mail to *samantha@nist.gov,* or by telephone at (301) 975–4947.

FOR FURTHER INFORMATION CONTACT: For further information about participation opportunities to join the Genome Editing Consortium, please contact Jeffrey DiVietro, CRADA Officer, National Institute of Standards and Technology's Technology Partnerships Office, by mail to 100 Bureau Drive, Mail Stop 2200, Gaithersburg, Maryland 20899, by electronic mail to *jeffrey.divietro@nist.gov,* or by telephone at (301) 975–8779.

SUPPLEMENTARY INFORMATION: Targeted Genome Editing is a technology space where there is a great need for reliable measurement methods for assuring the results of editing. Modalities for targeted genome editing include but are not limited to Zinc Finger Proteins (ZFPs), Homing Endonucleases, Transcription Activator-Like Nucleases (TALENs) and Clustered, Regularly Interspaced Palindromic Repeats (CRISPR). These technologies are being actively pursued by industry, academic, government and non-profit sectors to advance medicine and bioscience in areas such as: Regenerative medicine, synthetic biology, novel antimicrobials and antivirals, protein therapeutic biomanufacturing, agriculture and global food production. Utilizing these technologies for production and medicine will first require robust quantitative assays and measurements to enable high confidence characterization of DNA alterations resulting from genome editing.

NIST has reached out to companies to assess their measurement needs, and has co-led workshops that have brought together experts across the genome editing field including stakeholders in industry, academia and government. These discussions have identified common pre-competitive measurement needs that if resolved can push forward the field as it relates to understanding the reliability of data from assays being used to measuring aspects of genome edited cells.

This Consortium's purpose is to develop measurement solutions and standards to advance confidence in measurements supporting the genome editing technology space.

The Consortium will have three working groups with the following responsibilities:

(1) Specificity Measurements:

a. Design, generate, and evaluate a set of purified DNA samples and mixtures

that can be used to mimic both of on-target and off-target genome editing induced variants at known frequencies in a background of human genomic DNA which can be used to benchmark validation of sequencing pipelines intended to identify genome editing induced variants.

b. Design and conduct controlled evaluations of assays intended to identify where genome editing enzymes have been active in a genome, with an experimental design that allows for enough power to assess the sources of variability, repeatability, and reproducibility within an assay.

(2) Data and Meta Data:

a. Identify community norms for data formats and tools for benchmarking data analysis including in silico data sets and an experimental data set.

b. Determine the type of meta data that would be needed to be shared, housed, and interrogated from genome editing experiments.

(3) Lexicon: Identify terms and related definitions to form a common genome editing community lexicon.

No proprietary information will be shared as part of the Consortium.

Process: Interested parties with relevant genome editing associated capabilities (see below), products, and/or technical expertise to support this Consortium should contact NIST using the information provided in the **ADDRESSES** section of this notice. NIST will then provide each interested party with a letter of interest template, which the party must complete, and submit to NIST. NIST will contact interested parties if there are questions regarding the responsiveness of the letters. NIST will select participants who have submitted complete letters of interest based on the capabilities listed below. Eligibility will be determined solely by NIST based on information provided by interested organizations and upon the availability of necessary resources to NIST.

To participate, the eligible applicant will be required to sign a CRADA with NIST.

Requirements: Each letter of interest should provide the following information:

(1) A description of the experience in genome editing or genome engineering, bioinformatics, next-generation sequencing, detection or quantitation of DNA variants or related expertise to contribute to the Consortium.

(2) Subgroups or topic areas of interest for participation. There is no limit on the number of areas of participation.

(3) List of interested party's anticipated participants.

Letters of interest may not include business proprietary information. NIST will not treat any information provided in response to this Notice as proprietary information. NIST will notify each organization of its eligibility. In order to participate in this Consortium, each eligible organization must sign a CRADA for this Consortium. All participants to this Consortium will be bound by the same terms and conditions. Participants will be required to contribute financial or equivalent in-kind resources, as determined by NIST, of at least $20,000. NIST does not guarantee participation in the Consortium or in any other collaboration to any organization submitting a Letter of Interest.

Authority: 15 U.S.C. 3710a.

Kevin Kimball,

NIST Chief of Staff.

[FR Doc. 2018–00315 Filed 1–10–18; 8:45 am]

BILLING CODE 3510–13–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

RIN 0648–XF917

Fisheries of the South Atlantic; South Atlantic Fishery Management Council; Public Meetings

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of meeting of the South Atlantic Fishery Management Council's Citizen Science Advisory Panel Projects/Topics Management; Finance & Infrastructure; Volunteers; Communication/Outreach/Education; and Data Management Action Teams.

SUMMARY: The South Atlantic Fishery Management Council (Council) will hold an all-hands meeting of its Citizen Science Advisory Panel Projects/Topics Management; Finance & Infrastructure; Volunteers; Communication/Outreach/Education; and Data Management Action Teams via webinar.

DATES: The Projects/Topics Management; Finance & Infrastructure; Volunteers; Communication/Outreach/Education; and Data Management Action Team meeting will be held on Wednesday, January 31, 2018 at 9 a.m. The meeting is scheduled to last approximately three hours. Additional Action Team webinar dates and times will publish in a subsequent issue in the **Federal Register**.

ADDRESSES:

Meeting address: The meeting will be held via webinar and is open to members of the public. Webinar registration is required and registration links will be posted to the Citizen Science program page of the Council's website at *www.safmc.net.*

Council address: South Atlantic Fishery Management Council, 4055 Faber Place Drive, Suite 201, N Charleston, SC 29405.

FOR FURTHER INFORMATION CONTACT: Amber Von Harten, Citizen Science Program Manager, SAFMC; phone (843) 302–8433 or toll free (866) SAFMC–10; fax: (843) 769–4520; email: *amber.vonharten@safmc.net.*

SUPPLEMENTARY INFORMATION: The Council created a Citizen Science Advisory Panel Pool in June 2017. The Council appointed members of the Citizen Science Advisory Panel Pool to five Action Teams in the areas of *Volunteers, Data Management, Projects/Topics Management, Finance,* and *Communication/Outreach/Education* to develop program policies and operations for the Council's Citizen Science Program.

Each Action Team has been meeting since August 2017 to work on developing recommendations on program policies and operations to be reviewed by the Council's Citizen Science Committee. The January 31, 2018 meeting will bring all members of all five Action Teams together to review and discuss draft recommendations from each Action Team. Public comment will be accepted at the beginning of the meeting.

Items to be addressed during these meetings:

1. Overview and discussion of Action Team draft recommendations
2. Other Business

Special Accommodations

These meetings are physically accessible to people with disabilities. Requests for auxiliary aids should be directed to the council office (see **ADDRESSES**) 3 days prior to the meeting.

Note: The times and sequence specified in this agenda are subject to change.

Authority: 16 U.S.C. 1801 *et seq.*

Dated: January 8, 2018.

Tracey L. Thompson,

Acting Deputy Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 2018–00372 Filed 1–10–18; 8:45 am]

BILLING CODE 3510–22–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

Proposed Information Collection; Comment Request; Economic Survey of Recreational Steelhead Fishermen in Washington State

AGENCY: National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice.

SUMMARY: The Department of Commerce, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995.

DATES: Written comments must be submitted on or before March 12, 2018.

ADDRESSES: Direct all written comments to Jennifer Jessup, Departmental Paperwork Clearance Officer, Department of Commerce, Room 6616, 14th and Constitution Avenue NW, Washington, DC 20230 (or via the internet at *pracomments@doc.gov*).

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of the information collection instrument and instructions should be directed to Robby Fonner, (206) 302–2469 or *robby.fonner@noaa.gov*.

SUPPLEMENTARY INFORMATION:

I. Abstract

This request is for a new collection of information.

The Northwest Fisheries Science Center and Southwest Fisheries Science Center are undertaking an economics research project to assess the preferences of recreational steelhead anglers for trip attributes including opportunities for catching wild and hatchery steelhead. The Economic Survey of Recreational Steelhead Fishermen (ESRSF) will yield information on angling preferences that will inform management of recreational steelhead resources and steelhead hatchery operations in The Pacific Northwest. More specifically, the ESRSF will collect data needed to (1) assess the socioeconomic characteristics of recreational anglers; (2) assess the economic value of steelhead recreational fishing trips through statistical estimation of models; and (3) assess the change in these values associated with possible changes in recreational steelhead angling opportunities, including catch rates of wild and hatchery fish, site attributes, and travel costs.

II. Method of Collection

A sample of Washington State fishing license holders who intended to fish for steelhead will be screened with an email survey (screener), followed by an internet survey. Sampled anglers who do not have an email address in the license database used for sampling will be sent an invitation by mail to the web-based screener and subsequent survey. Respondents to the internet survey will submit data online.

III. Data

OMB Control Number: 0648–xxxx.

Form Number(s): None.

Type of Review: Regular submission (new information collection).

Affected Public: Individuals or households.

Estimated Number of Respondents: 629.

Estimated Time per Response: Five minutes for the screening survey; 25 minutes for the full survey.

Estimated Total Annual Burden Hours: 102.

Estimated Total Annual Cost to Public: $0 in recordkeeping/reporting costs.

IV. Request for Comments

Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden (including hours and cost) of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval of this information collection; they also will become a matter of public record.

Dated: January 5, 2018.

Sarah Brabson,

NOAA PRA Clearance Officer.

[FR Doc. 2018–00312 Filed 1–10–18; 8:45 am]

BILLING CODE 3510–22–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

RIN 0648–XF929

Pacific Fishery Management Council; Public Meeting

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of public meeting.

SUMMARY: The Pacific Fishery Management Council (Pacific Council) and the National Oceanic and Atmospheric Administration's (NOAA) Southwest Fisheries Science Center (SWFSC) will hold a meeting that is open to the public.

DATES: The meeting will be held Monday, January 29 through Friday, February 2, 2018. The meeting will begin at 1 p.m. the first day and at 8:30 a.m. each subsequent day. The meeting will end each day at 5 p.m., or until business for the day has been completed.

ADDRESSES: The meeting will be held in the Pacific Conference Room of the NOAA SWFSC, 8901 La Jolla Shores Dr., La Jolla, CA 92037–1508.

Council address: Pacific Fishery Management Council, 7700 NE Ambassador Place, Suite 101, Portland, OR 97220; telephone: (503) 820–2280.

FOR FURTHER INFORMATION CONTACT: Kerry Griffin, Pacific Council; telephone: (503) 820–2409 or Dale Sweetnam, SWFSC; telephone: (858) 546–7170.

SUPPLEMENTARY INFORMATION: The purpose of the meeting is to conduct a methodology review of the NOAA acoustic-trawl survey methodology (ATM), conducted regularly to collect fisheries and oceanographic information in U.S. West Coast waters. The ATM survey has been approved for use in stock assessments for Pacific sardine, but has not yet been approved for use in stock assessments for northern anchovy, Pacific mackerel, or jack mackerel. At its April 2018 meeting, the Pacific Council will consider the results of this review, and will consider whether to approve the ATM for use in stock assessments for stocks other than Pacific sardine. An agenda and other meeting materials will be available by January 15, 2018, on the Pacific Council's ftp site: *ftp://ftp.pcouncil.org/pub/2018%20ATM%20Methodology%20Review/*.

Although non-emergency issues not contained in the meeting agenda may be

discussed, those issues may not be the subject of formal action during this meeting. Action will be restricted to those issues specifically listed in this document and any issues arising after publication of this document that require emergency action under section 305(c) of the Magnuson-Stevens Fishery Conservation and Management Act, provided the public has been notified of the intent to take final action to address the emergency.

Special Accommodations

This public listening station is physically accessible to people with disabilities. Requests for sign language interpretation or other auxiliary aids should be directed to Mr. Dale Sweetnam (858) 546–7170 at least 10 days prior to the meeting date.

Dated: January 8, 2018.

Tracey L. Thompson,

Acting Deputy Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 2018–00374 Filed 1–10–18; 8:45 am]

BILLING CODE 3510–22–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

RIN 0648–XF942

New England Fishery Management Council; Public Meeting

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice; public meeting.

SUMMARY: The New England Fishery Management Council (Council) is scheduling a public meeting of its Groundfish Committee to consider actions affecting New England fisheries in the exclusive economic zone (EEZ). Recommendations from this group will be brought to the full Council for formal consideration and action, if appropriate.

DATES: This meeting will be held on Thursday, January 25, 2018 at 9 a.m.

ADDRESSES: The meeting will be held at the DoubleTree by Hilton, 50 Ferncroft Road, Danvers, MA 01950; phone: (978) 777–2500.

Council address: New England Fishery Management Council, 50 Water Street, Mill 2, Newburyport, MA 01950.

FOR FURTHER INFORMATION CONTACT: Thomas A. Nies, Executive Director, New England Fishery Management Council; telephone: (978) 465–0492.

SUPPLEMENTARY INFORMATION:

Agenda

The committee will provide recommendations to the Council on FY2018 recreational measures for Gulf of Maine cod and haddock, and possibly Georges Bank cod. The committee will also consider providing a recommendation to the Council for a new control date for the party/charter fishery. They will also receive an overview of the Council's priorities for 2018. The committee plans discuss the progress on Amendment 23/Groundfish Monitoring. Other business will be discussed as necessary.

Although non-emergency issues not contained in this agenda may come before this group for discussion, those issues may not be the subject of formal action during these meetings. Action will be restricted to those issues specifically listed in this notice and any issues arising after publication of this notice that require emergency action under section 305(c) of the Magnuson-Stevens Act, provided the public has been notified of the Council's intent to take final action to address the emergency.

Special Accommodations

This meeting is physically accessible to people with disabilities. Requests for sign language interpretation or other auxiliary aids should be directed to Thomas A. Nies, Executive Director, at (978) 465–0492, at least 5 days prior to the meeting date. This meeting will be recorded. Consistent with 16 U.S.C. 1852, a copy of the recording is available upon request.

Authority: 16 U.S.C. 1801 *et seq.*

Dated: January 8, 2018.

Tracey L. Thompson,

Acting Deputy Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 2018–00379 Filed 1–10–18; 8:45 am]

BILLING CODE 3510–22–P

DEPARTMENT OF COMMERCE

National Ocean and Atmospheric Administration

Proposed Information Collection; Comment Request; Fishery Capacity Reduction Program Buyback Requests

AGENCY: National Ocean and Atmospheric Administration, Commerce.

ACTION: Notice.

SUMMARY: The Department of Commerce, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995.

DATES: Written comments must be submitted on or before March 12, 2018.

ADDRESSES: Direct all written comments to Jennifer Jessup, Departmental Paperwork Clearance Officer, Department of Commerce, Room 6616, 14th and Constitution Avenue NW, Washington, DC 20230 (or via the internet at *pracomments@doc.gov*).

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of the information collection instrument and instructions should be directed to Paul Marx, (301) 427.8771 or *Paul.Marx@noaa.gov*.

SUPPLEMENTARY INFORMATION:

I. Abstract

This request is for an extension of a current information collection.

The National Oceanic and Atmospheric Administration's (NOAA) National Marine Fisheries Service (NMFS) established programs to reduce excess fishing capacity by paying fishermen to surrender their vessels/permits. These fishing capacity reduction programs, or buybacks, are conducted pursuant to the Magnuson-Stevens Fishery Conservation and Management Act, and the Magnuson-Stevens Reauthorization Act (Pub. L. 109–479). The buybacks can be funded by a Federal loan to the industry or by direct Federal or other funding. Buyback regulations are at 50 CFR part 600.

The information collected by NMFS involves the submission of buyback requests by industry, submission of bids, referenda of fishery participants and reporting of collection of fees to repay buyback loans. For buybacks involving State-managed fisheries, the State may be involved in developing the buyback plan and complying with other information requirements. NMFS requests information from participating buyback participants to track repayments of the loans as well as ensure accurate management and monitoring of the loans. The recordkeeping and reporting requirements at 50 CFR parts 600.1013 through 600.1017 form the basis for the collection of information.

II. Method of Collection

Paper reports or electronic reports are required from buyback participants. Methods of submittal include mailing of paper reports, electronic submission via the internet, and/or facsimile transmission.

III. Data

OMB Control Number: 0648–0376.

Form Number(s): None.

Type of Review: Regular submission (extension of a current information collection).

Affected Public: Business or other for-profit organizations; individuals or households; and state, local, or tribal government.

Estimated Number of Respondents: 1,000.

Estimated Time per Response: Implementation plan, 6,634 hours; referenda votes, bids, seller/buyer reports and annual fee collection reports, 4 hours each; completion of fish ticket, 10 minutes; monthly fee collection report, 2 hours; advising holder/owner of conflict with accepted bidders' representations, 1 hour; potentially 270 hours-state approval/review of plans.

Estimated Total Annual Burden Hours: 15,838.

Estimated Total Annual Cost to Public: $1,596 in recordkeeping/reporting costs.

IV. Request for Comments

Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden (including hours and cost) of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval of this information collection; they also will become a matter of public record.

Dated: January 5, 2018.

Sarah Brabson,

NOAA PRA Clearance Officer.

[FR Doc. 2018–00310 Filed 1–10–18; 8:45 am]

BILLING CODE 3510–22–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

Proposed Information Collection; Comment Request; Coral Reef Conservation Program Administration

AGENCY: National Oceanic and Atmospheric Administration, Commerce.

ACTION: Notice.

SUMMARY: The Department of Commerce, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995.

DATES: Written comments must be submitted on or before March 12, 2018.

ADDRESSES: Direct all written comments to Jennifer Jessup, Departmental Paperwork Clearance Officer, Department of Commerce, Room 6616, 14th and Constitution Avenue NW, Washington, DC 20230 (or via the internet at *pracomments@doc.gov*).

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of the information collection instrument and instructions should be directed to Craig Reid at (240) 533–0783, or *Craig.A.Reid@noaa.gov.*

SUPPLEMENTARY INFORMATION:

I. Abstract

This request is for extension of a currently approved information collection.

The Coral Reef Conservation Act of 2000 (Act) was enacted to provide a framework for conserving coral reefs. The Coral Reef Conservation Grant Program, under the Act, provides funds to broad-based applicants with experience in coral reef conservation to conduct activities to protect and conserve coral reef ecosystems. The information submitted by applicants is used to determine if a proposed project is consistent with the NOAA coral reef conservation priorities and the priorities of authorities with jurisdiction over the area where the project will be carried out. As part of the application, NOAA requires a Data and Information Sharing Plan in addition to the standard required application materials.

II. Method of Collection

The information will be collected by the secure web based tool *grants.gov* or by mail when the internet is not available.

III. Data

OMB Control Number: 0648–0448.

Form Number(s): None.

Type of Review: Regular submission (extension of a currently approved information collection).

Affected Public: Business or other for-profit organizations; not-for-profit institutions; state, local, or tribal government.

Estimated Number of Respondents: 40.

Estimated Time per Response: 2 hours.

Estimated Total Annual Burden Hours: 80 hours.

Estimated Total Annual Cost to Public: $35 in recording/reporting costs.

IV. Request for Comments

Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden (including hours and cost) of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval of this information collection; they also will become a matter of public record.

Dated: January 5, 2018.

Sarah Brabson,

NOAA PRA Clearance Officer.

[FR Doc. 2018–00311 Filed 1–10–18; 8:45 am]

BILLING CODE 3510–JE–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

RIN 0648–XF943

New England Fishery Management Council; Public Meeting

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice; public meeting.

SUMMARY: The New England Fishery Management Council (Council) is scheduling a public meeting of its

Recreational Advisory Panel to consider actions affecting New England fisheries in the exclusive economic zone (EEZ). Recommendations from this group will be brought to the full Council for formal consideration and action, if appropriate.

DATES: This meeting will be held on Wednesday, January 24, 2018 at 9 a.m.

ADDRESSES: The meeting will be held at the DoubleTree by Hilton, 50 Ferncroft Road, Danvers, MA 01950; phone: (978) 777–2500.

Council address: New England Fishery Management Council, 50 Water Street, Mill 2, Newburyport, MA 01950.

FOR FURTHER INFORMATION CONTACT: Thomas A. Nies, Executive Director, New England Fishery Management Council; telephone: (978) 465–0492.

SUPPLEMENTARY INFORMATION:

Agenda

The Recreational Advisory Panel will provide recommendations to the Groundfish Committee on FY2018 recreational measures for Gulf of Maine cod and haddock, and possibly Georges Bank cod. The advisory panel will also consider providing a recommendation to the Groundfish Committee for a new control date for the party/charter fishery. They will also receive an overview of the Council's priorities for 2018. Other business will be discussed as necessary.

Although non-emergency issues not contained in this agenda may come before this group for discussion, those issues may not be the subject of formal action during these meetings. Action will be restricted to those issues specifically listed in this notice and any issues arising after publication of this notice that require emergency action under section 305(c) of the Magnuson-Stevens Act, provided the public has been notified of the Council's intent to take final action to address the emergency.

Special Accommodations

This meeting is physically accessible to people with disabilities. Requests for sign language interpretation or other auxiliary aids should be directed to Thomas A. Nies, Executive Director, at (978) 465–0492, at least 5 days prior to the meeting date.

Authority: 16 U.S.C. 1801 *et seq.*

Dated: January 8, 2018.

Tracey L. Thompson,

Acting Deputy Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 2018–00380 Filed 1–10–18; 8:45 am]

BILLING CODE 3510–22–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

RIN 0648–XF919

Western Pacific Fishery Management Council; Public Meeting

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of a public meeting.

SUMMARY: The Western Pacific Fishery Management Council (Council) will hold an Archipelagic Plan Team (APT) meeting to discuss and make recommendations on fishery management issues in the Western Pacific Region.

DATES: The APT will meet on Friday, January 26, 2018, between 8:30 a.m. and 5 p.m. Hawaii Standard Time.

For specific times and agendas, see **SUPPLEMENTARY INFORMATION**.

ADDRESSES: The APT meeting will be held at the Council office, 1164 Bishop St. Suite 1400, Honolulu, HI 96813 and by teleconference and webinar. The teleconference will be conducted by telephone and by web. The teleconference numbers are U.S. toll-free: 1–888–482–3560 or International Access: +1 647 723–3959, and Access Code: 5228220. The webinar can be accessed at: *https://wprfmc.webex.com/join/info.wpcouncilnoaa.gov.*

FOR FURTHER INFORMATION CONTACT: Kitty M. Simonds, Executive Director, Western Pacific Fishery Management Council; telephone: (808) 522–8220.

SUPPLEMENTARY INFORMATION: Public comment periods will be provided in the agenda. The order in which agenda items are addressed may change. The meetings will run as late as necessary to complete scheduled business.

Schedule and Agenda for the APT Meeting

Friday, January 26, 2018, 8:30 a.m.–5 p.m.

1. Welcome and Introductions
2. Approval of draft agenda and assignment of rapporteurs
3. Scoping: Non-Fishing Impacts to Essential Fish Habitat (EFH)
4. Update on Ecosystem Component Species Amendment
5. Public Comment
6. Other Business
7. Discussion and Recommendations
8. Break Out Groups
   A. Refinement of Precious Corals EFH
   B. Monitoring Ecosystem Components and Species in Need of Conservation and Management

Special Accommodations

These meetings are physically accessible to people with disabilities. Requests for sign language interpretation or other auxiliary aids should be directed to Kitty M. Simonds, (808) 522–8220 (voice) or (808) 522–8226 (fax), at least 5 days prior to the meeting date.

Authority: 16 U.S.C. 1801 *et seq.*

Dated: January 8, 2018.

Tracey L. Thompson,

Acting Deputy Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 2018–00373 Filed 1–10–18; 8:45 am]

BILLING CODE 3510–22–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

RIN 0648–XF932

Gulf of Mexico Fishery Management Council; Public Meeting

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of a public meeting.

SUMMARY: The Gulf of Mexico Fishery Management Council (Council) will hold a four-day meeting to consider actions affecting the Gulf of Mexico fisheries in the exclusive economic zone (EEZ).

DATES: The meeting will be held on Monday, January 29 through Thursday, February 1, 2018.

ADDRESSES: *Meeting address:* The meeting will take place at the Hyatt Centric French Quarter hotel, located at 800 Iberville Street, New Orleans, LA 70112; telephone: (504) 586–0800.

Council address: Gulf of Mexico Fishery Management Council, 2203 N. Lois Avenue, Suite 1100, Tampa, FL 33607; telephone: (813) 348–1630.

FOR FURTHER INFORMATION CONTACT: Douglas Gregory, Executive Director, Gulf of Mexico Fishery Management Council; telephone: (813) 348–1630.

SUPPLEMENTARY INFORMATION:

Agenda

Monday, January 29, 2018; 8:30 a.m.–5:30 p.m.

The meeting will begin in FULL COUNCIL SESSION to review and discuss the appointments for the 2018 Committee Roster. The Spiny Lobster Management Committee will review the

2016/2017 Spiny Lobster Landings and draft options paper for Joint Spiny Lobster Amendment 13. The Administrative/Budget Committee will meet to review the Ad Hoc Advisory Panels and discuss the Scientific and Statistical Committees' (SSC) Organization. After lunch, the Sustainable Fisheries Management Committee will convene to review the Mackerel Landings and Bag Limit Analysis; options paper for Carryover of Unharvested Quota; and the public hearing draft for Amendment 49—Modifications to the Sea Turtle Release Gear and Framework Procedure for the Reef Fish Fishery. The Committee will also review a draft policy for descending devices and venting tools; the Ecosystem Approach to Fisheries Management (EAFM) by Gulf Council and other regional approaches; and a presentation on Reef Fish Charter For-Hire Permit Transfers and Potential Management Actions. The Committee will receive the Environmental Assessment and Exempted Fishery Permits for Lionfish Trap Testing in the Gulf and South Atlantic, and hold a discussion on Dead Zone regarding RESTORE Act Activities. Approximately 4:30 p.m., the Council will reconvene in a CLOSED SESSION of the Full Council to select members to the Ad Hoc Red Snapper and Grouper-Tilefish IFQ Advisory Panel and discuss hiring of the new Executive Director.

Tuesday, January 30, 2018; 8:30 a.m.–5:30 p.m.

The Reef Fish Management Committee will convene to review and discuss Reef Fish Landings and State Management of Recreational Red Snapper. After lunch, the Committee will receive an update on the implementation of the Generic For-Hire Reporting Amendment; and discuss the analysis of Red Grouper Indices of Abundance. The Committee will review Amendment 41—Allocation-based Management for Federally Permitted Charter Vessels and Amendment 42—Reef Fish Management of Headboat Survey Vessels. The Committee will receive a response from NMFS regarding referendum requirements for auctions and receive a report from the Scientific and Statistical Committee (SSC). The Committee will also receive a summary from the Ad Hoc Private Angler Red Snapper Advisory Panel and a presentation on Modifications to the Greater Amberjack Commercial Fishing Year, and Trip Limits and Recreational Vessel Limits and Split Quotas.

Wednesday, January 31, 2018; 8:30 a.m.–6 p.m.

The Full Council will convene in the morning with a Call to Order, Announcements, and Introductions; Adoption of Agenda and Approval of Minutes; receive a presentation from the Louisiana Law Enforcement and an overview presentation of the Aquaculture Fishery Management Plan (FMP). At mid-morning the Council will review Exempted Fishing Permit (EFPs) Applications. After lunch, the Council will continue reviewing and discussing EFPs as well as receive a summary of any public comments on the EFPs. The Council will receive open public testimony from 3 p.m. until 6 p.m. on Fishery Issues or Concerns. Anyone wishing to speak during public comment should sign in at the registration station located at the entrance to the meeting room.

Thursday, February 1, 2018; 8:30 a.m.–4 p.m.

Full Council will receive committee reports from Reef Fish, Spiny Lobster, Administrative/Budget and Sustainable Fisheries Management Committees, and, a report on the members selected to serve on the Ad Hoc Red Snapper and Grouper –Tilefish IFQ Advisory Panel; and, vote on any Exempted Fishing Permit (EFP) applications. The Council will receive updates from the following supporting agencies: South Atlantic Fishery Management Council; Gulf States Marine Fisheries Commission; U.S. Coast Guard; U.S. Fish and Wildlife Service; and, the Department of State.

Lastly, the Council will discuss any Other Business items.

Meeting Adjourns

The timing and order in which agenda items are addressed may change as required to effectively address the issue. The latest version will be posted on the Council's file server, which can be accessed by going to the Council's website at *http://www.gulfcouncil.org* and clicking on FTP Server under Quick Links. For meeting materials, go to the Gulf Council website or Gulf Council file server and select the ''Briefing Books/Briefing Book 2018–01'' folder. The username and password are both ''gulfguest''. The meetings will be webcast over the internet. A link to the webcast is available here, *https://attendee.gotowebinar.com/register/9086970310199522563.*

Although other non-emergency issues not contained in this agenda may come before this Council for discussion, those issues may not be the subjects of formal action during these meetings. Council action will be restricted to those issues specifically listed in this notice and any issues arising after publication of this notice that require emergency action under section 305(c) of the Magnuson-Stevens Act, provided that the public has been notified of the Council's intent to take final action to address the emergency.

Special Accommodations

These meetings are physically accessible to people with disabilities. Requests for sign language interpretation or other auxiliary aids should be directed to Kathy Pereira (see **ADDRESSES**) at least 5 days prior to the meeting date.

Dated: January 8, 2018.

Tracey L. Thompson,

Acting Deputy Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 2018–00375 Filed 1–10–18; 8:45 am]

BILLING CODE 3510–22–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

RIN 0648–XF939

Pacific Fishery Management Council; Public Meeting

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of public meeting (webinar).

SUMMARY: The Pacific Fishery Management Council's (Pacific Council) is sponsoring a series of webinars presenting information relevant to the Fishery Ecosystem Plan Initiative on Climate and Communities. The webinars are open to the public.

DATES: Two webinars have been scheduled. Both will begin at 1:30 p.m. on the dates shown below and last for approximately two hours. The first one, ''What do we expect to happen in the California Current under climate change?'' will be Thursday, January 25, 2018. The second one, ''The state of the art for ecological forecasting at short-, medium- and long-term time frames'' will be Thursday, February 1, 2018.

ADDRESSES: The meeting will be held via webinar. A public listening station is available at the Pacific Council office (address below). To attend the webinar (1) join the meeting by visiting this link *https://www.gotomeeting.com/.* (Click ''Join a Meeting'' in top right corner of page), (2) enter the Webinar ID: 298–

193–411, and (3) enter your name and email address (required). After logging in to the webinar, you must use your telephone for the audio portion of the meeting by dialing this TOLL number (1) dial this TOLL number 1–415–655–0052, (2) enter the attendee phone audio access code 564–202–797, and (3) then enter your audio phone pin (shown after joining the webinar). **Note:** Technical Information and system requirements: PC-based attendees are required to use Windows® 7, Vista, or XP; Mac®-based attendees are required to use Mac OS® X 10.5 or newer; Mobile attendees are required to use iPhone®, iPad®, Android™ phone or Android tablet (See the *https://www.gotomeeting.com/webinar/ipad-iphone-android-webinar-apps*). You may send an email to Mr. Kris Kleinschmidt at *Kris.Kleinschmidt@noaa.gov* or contact him at (503) 820–2280, extension 411 for technical assistance.

Council address: Pacific Fishery Management Council, 7700 NE Ambassador Place, Suite 101, Portland, OR 97220.

FOR FURTHER INFORMATION CONTACT: Dr. Kit Dahl, Pacific Council; telephone: (503) 820–2422.

SUPPLEMENTARY INFORMATION: At its September 2018 meeting, the Pacific Council decided to embark on the Climate and Communities Initiative pursuant to its Fishery Ecosystem Plan. The purpose of this initiative is to help the Pacific Council, its advisory bodies, and the public to better understand the effects of near-term climate shift and long-term climate change on our fish, fisheries, and fishing communities and identify ways in which the Council could incorporate such understanding into its decision-making. As a first step, the Council's Ad Hoc Ecosystem Workgroup is working with scientists at NMFS Northwest and Southwest Fisheries Science Centers to present a series of webinars to educate the Pacific Council, advisory bodies, and the interested public about current research and forecasts related to the effects of climate variability/change on the California Current Ecosystem.

Although non-emergency issues not contained in the meeting agenda may be discussed, those issues may not be the subject of formal action during this meeting. Action will be restricted to those issues specifically listed in this document and any issues arising after publication of this document that require emergency action under section 305(c) of the Magnuson-Stevens Fishery Conservation and Management Act, provided the public has been notified of the intent to take final action to address the emergency.

Special Accommodations

This meeting is physically accessible to people with disabilities. Requests for sign language interpretation or other auxiliary aids should be directed to Mr. Kris Kleinschmidt (503) 820–2411 at least 10 business days prior to the meeting date.

Dated: January 8, 2018.

Tracey L. Thompson,

Acting Deputy Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 2018–00378 Filed 1–10–18; 8:45 am]

BILLING CODE 3510–22–P

DEPARTMENT OF COMMERCE

National Telecommunications and Information Administration

[Docket No. 180103005–8005–01]

RIN 0660–XC040

Promoting Stakeholder Action Against Botnets and Other Automated Threats

AGENCY: National Telecommunications and Information Administration, U.S. Department of Commerce.

ACTION: Notice, request for public comment.

SUMMARY: The Department of Commerce (Department) is requesting comment on a draft Report about actions to address automated and distributed threats to the digital ecosystem as part of the activity directed by Executive Order 13800, ''Strengthening the Cybersecurity of Federal Networks and Critical Infrastructure.'' Through this Notice, the Department seeks broad input and feedback from all interested stakeholders—including private industry, academia, civil society, and other security experts—on this draft Report, its characterization of risks and the state of the ecosystem, the goals laid out, and the actions to further these goals.

DATES: Comments are due on or before 5 p.m. Eastern Time on February 12, 2018.

ADDRESSES: Written comments may be submitted by email to *counter_botnet@list.commerce.gov*. Written comments also may be submitted by mail to the National Telecommunications and Information Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Room 4725, Attn: Evelyn L. Remaley, Deputy Associate Administrator, Washington, DC 20230. For more detailed instructions about submitting comments, see the ''Instructions for Commenters'' section of **SUPPLEMENTARY INFORMATION.**

FOR FURTHER INFORMATION CONTACT: Megan Doscher, tel.: (202) 482–2503, email: *mdoscher@ntia.doc.gov*, or Allan Friedman, tel.: (202) 482–4281, email: *afriedman@ntia.doc.gov*, National Telecommunications and Information Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Room 4725, Washington, DC 20230. Please direct media inquiries to NTIA's Office of Public Affairs, (202) 482–7002, or at *press@ntia.doc.gov*.

SUPPLEMENTARY INFORMATION:

Background: Executive Order 13800 on Strengthening the Cybersecurity of Federal Networks and Critical Infrastructure called for ''resilience against botnets and other automated, distributed threats.'' [1] The Order directed the Secretary of Commerce, together with the Secretary of Homeland Security, to ''lead an open and transparent process to identify and promote action by appropriate stakeholders'' with the goal of ''dramatically reducing threats perpetrated by automated and distributed attacks (*e.g.,* botnets).'' [2]

The Departments of Commerce and Homeland Security worked jointly on this effort through three approaches—hosting a workshop, publishing a request for comment, and initiating an inquiry through the President's National Security Telecommunications Advisory Committee (NSTAC)—all aimed at gathering a broad range of input from experts and stakeholders, including private industry, academia, and civil society. The Departments worked in consultation with the Departments of Defense, Justice, and State, the Federal Bureau of Investigation, the sector-specific agencies, the Federal Communications Commission, and Federal Trade Commission, as well as other interested agencies. These activities all contributed to the information gathering process for developing a draft Report.

The draft Report, published on January 5, 2018, and available at *https://www.ntia.doc.gov/report/2018/report-president-enhancing-resilience-internet-and-communications-ecosystem-against,* characterizes the status of the internet and communications ecosystem, and offers a positive vision of the future. The Departments determined that the opportunities and challenges in working toward

[1] Exec. Order 13800, 82 FR 22,391 (May 11, 2017).

[2] *Id.*

dramatically reducing threats from automated, distributed attacks can be summarized in six principal themes.

1. *Automated, distributed attacks are a global problem.* The majority of the compromised devices in recent botnets have been geographically located outside the United States. Increasing the resilience of the internet and communications ecosystem against these threats will require coordinated action with international partners.

2. *Effective tools exist, but are not widely used.* The tools, processes, and practices required to significantly enhance the resilience of the internet and communications ecosystem are widely available, if imperfect, and are routinely applied in selected market sectors. However, they are not part of common practices for product development and deployment in many other sectors for a variety of reasons, including (but not limited to) lack of awareness, cost avoidance, insufficient technical expertise, and lack of market incentives.

3. *Products should be secured during all stages of the lifecycle.* Devices that are vulnerable at time of deployment, lack facilities to patch vulnerabilities after discovery, or remain in service after vendor support ends make assembling automated, distributed threats far too easy.

4. *Education and awareness is needed.* Knowledge gaps in home and enterprise customers, product developers, manufacturers, and infrastructure operators impede the deployment of the tools, processes, and practices that would make the ecosystem more resilient.

5. *Market incentives are misaligned.* Perceived market incentives do not align with the goal of ''dramatically reducing threats perpetrated by automated and distributed attacks.'' Market incentives motivate product developers, manufacturers, and vendors to minimize cost and time to market, rather than to build in security or offer efficient security updates. There has to be a better balance between security and convenience when developing products.

6. *Automated, distributed attacks are an ecosystem-wide challenge.* No single stakeholder community can address the problem in isolation.

The Report lays out five complementary and mutually supportive goals that would dramatically reduce the threat of automated, distributed attacks and improve the resilience of the ecosystem. They are:

1. Identify a clear pathway toward an adaptable, sustainable, and secure technology marketplace;

2. Promote innovation in the infrastructure for dynamic adaptation to evolving threats;

3. Promote innovation at the edge of the network to prevent, detect, and mitigate bad behavior;

4. Build coalitions between the security, infrastructure, and operational technology communities domestically and around the world; and

5. Increase awareness and education across the ecosystem.

For each goal, the report suggests supporting activities to be taken by both government and private sector actors. With this Request for Comment, the Department is asking for a response to the issues and goals raised by the draft Report, as well as the proposed approach, current initiatives, and next steps. Following the completion of the comment period, the Department will host a workshop to discuss substantive comments and the way forward for the Report. The workshop will be held February 28–March 1, 2018 at the National Cybersecurity Center of Excellence (NCCoE). Additional information regarding the workshop, including logistics and registration information, is available at *https://csrc.nist.gov/Events/2018/second-botnet-workshop*.

Information obtained through this Request for Comment, the NCCoE-hosted workshop, and other stakeholder interactions will be considered for incorporation into the final version of the Report. The final Report is due to the President on May 11, 2018.

Request for Comment

The goal of this Request for Comment is to solicit feedback on the draft Report, its characterization of the challenges, and proposed actions. The Department invites comment on the full range of issues that may be presented by this inquiry, including issues that are not specifically raised in the following questions. Respondents are invited to respond to some or all of the questions below:

1. *The Ecosystem:* Is the Report's characterization of risks and the state of the current internet and communications ecosystem accurate and/or complete? Are there technical details, innovations, policy approaches, or implementation barriers that warrant new or further consideration?

2. *Goals:* Are the Report's stated goals appropriate for achieving a more resilient ecosystem? Do the actions support the relevant goals? In aggregate, are the actions sufficient to significantly advance the goals?

3. *Stakeholder Roles:* How can specific actions be refined for efficacy and achievability? What actors, inside the Federal government, in the private sector, and across the global community, can be instrumental in the successful accomplishment of these activities? Who should play a leadership role; and where and how? What stakeholders are key to particular successes?

4. *Road map:* What information can help the government and stakeholders delineate a road map for achieving these goals? How should implementation be phased to optimize resources and commitments? Which actions are of highest priority, or offer opportunities for near term progress? Which actions depend on the completion of other actions? Are there known barriers that may inhibit progress on specific actions?

5. *Incentives:* What policies, innovations, standards, best practices, governance approaches, or other activities can promote market-based solutions to the challenges and goals discussed in the report? Are there specific incentive ideas beyond the market-based approaches discussed in the report (*e.g.,* procurement, multistakeholder policy development, R&D, best practices, and adoption & awareness efforts) that demand new consideration or exploration?

6. *Further Activities:* What additional specific actions can improve the resilience of the internet and communications ecosystem? What partners can drive success for these activities?

7. *Metrics:* How should we evaluate progress against the stated goals?

Instructions for Commenters: The Department invites comment on the full range of issues that may be presented by this inquiry, including issues that are not specifically raised in the above questions. Commenters are encouraged to address any or all of the above questions. Comments that contain references to studies, research, and other empirical data that are not widely available should include copies of the referenced materials with the submitted comments.

Comments submitted by email should be machine-readable and should not be copy-protected. Responders should include the name of the person or organization filing the comment, which will facilitate agency follow up for clarity as necessary, as well as a page number on each page of their submissions. All comments received are a part of the public record and will generally be posted on the NTIA website, *http://www.ntia.doc.gov/,* without change. All personal identifying information (for example, name,

address) voluntarily submitted by the commenter may be publicly accessible. Do not submit confidential business information or otherwise sensitive or protected information. The Department will also accept anonymous comments.

Dated: January 5, 2018.

David J. Redl,

Assistant Secretary for Communication and Information, National Telecommunications and Information Administration.

[FR Doc. 2018–00322 Filed 1–10–18; 8:45 am]

BILLING CODE 3510–60–P

DEPARTMENT OF DEFENSE

Office of the Secretary

Board of Regents, Uniformed Services University of the Health Sciences; Notice of Federal Advisory Committee Meeting

AGENCY: Under Secretary of Defense for Personnel and Readiness, Department of Defense.

ACTION: Notice of Federal Advisory Committee meeting.

SUMMARY: The Department of Defense (DoD) is publishing this notice to announce that the following Federal Advisory Committee meeting of the Board of Regents, Uniformed Services University of the Health Sciences will take place.

DATES: Tuesday, February 6, 2018; open to the public from 8:00 a.m. to 10:05 a.m. Closed session will occur from approximately 10:10 a.m. to 10:40 a.m.

ADDRESSES: Uniformed Services University of the Health Sciences, 4301 Jones Bridge Road, Everett Alvarez Jr. Board of Regents Room (D3001), Bethesda, Maryland 20814.

FOR FURTHER INFORMATION CONTACT: Jennifer Nuetzi James, 301–295–3066 (Voice), 301–295–1960 (Facsimile), *jennifer.nuetzi-james@usuhs.edu* (Email). Mailing address is 4301 Jones Bridge Road, A1020, Bethesda, Maryland 20814. Website: *https://www.usuhs.edu/vpe/bor*.

SUPPLEMENTARY INFORMATION: This meeting is being held under the provisions of the Federal Advisory Committee Act (FACA) of 1972 (5 U.S.C., Appendix, as amended), the Government in the Sunshine Act of 1976 (5 U.S.C. 552b, as amended), and 41 CFR 102–3.140 and 102–3.150.

Purpose of the Meeting: The purpose of the meeting is to provide advice and recommendations to the Secretary of Defense, through the Under Secretary of Defense for Personnel and Readiness, on academic and administrative matters critical to the full accreditation and successful operation of USU. These actions are necessary for USU to pursue its mission, which is to educate, train and comprehensively prepare uniformed services health professionals, officers, scientists and leaders to support the Military and Public Health Systems, the National Security and National Defense Strategies of the United States, and the readiness of our Uniformed Services.

Agenda: The actions scheduled to occur include the review of the minutes from the Board meeting held on November 3, 2017; recommendations regarding the awarding of associate, baccalaureate and post-baccalaureate degrees; recommendations regarding the approval of faculty appointments and promotions; and recommendations regarding award nominations. The USU President will provide a report on recent actions affecting academic and operational aspects of USU. Member reports will include an Academics Summary consisting of reports from the Dean of the F. Edward Hébert School of Medicine, Dean of the Daniel K. Inouye Graduate School of Nursing, Executive Dean of the Postgraduate Dental College, Dean of the College of Allied Health Sciences, Director of the Armed Forces Radiobiology Research Institute and the President of the USU Faculty Senate. Member Reports will also include a Finance and Administration Summary consisting of reports from the Senior Vice President, Southern Region; Senior Vice President, Western Region; Commander, USU Brigade; and the President and CEO of the Henry M. Jackson Foundation for the Advancement of Military Medicine. There will be reports from the USU Vice President for Research and the USU Vice President for Finance and Administration. A closed session will be held, after the open session, to discuss active investigations and personnel actions.

Meeting Accessibility: Pursuant to Federal statutes and regulations (5 U.S.C., Appendix, 5 U.S.C. 552b, and 41 CFR 102–3.140 through 102–3.165) and the availability of space, the meeting is open to the public from 8:00 a.m. to 10:05 a.m. Seating is on a first-come basis. Members of the public wishing to attend the meeting should contact Jennifer Nuetzi James no later than five business days prior to the meeting, at the address and phone number noted in the **FOR FURTHER INFORMATION CONTACT** section. Pursuant to 5 U.S.C. 552b(c)(2, 5–7), the Department of Defense has determined that the portion of the meeting from 10:10 a.m. to 10:40 a.m. shall be closed to the public. The Under Secretary of Defense (Personnel and Readiness), in consultation with the Office of the Department of Defense General Counsel, has determined in writing that this portion of the Board's meeting will be closed as the discussion will disclose sensitive personnel information, will include matters that relate solely to the internal personnel rules and practices of the agency, will involve allegations of a person having committed a crime or censuring an individual, and may disclose investigatory records compiled for law enforcement purposes.

Written Statements: Pursuant to section 10(a)(3) of the Federal Advisory Committee Act of 1972 and 41 CFR 102–3.140, the public or interested organizations may submit written comments to the Board about its approved agenda pertaining to this meeting or at any time regarding the Board's mission. Individuals submitting a written statement must submit their statement to the Designated Federal Officer at the address listed in the **FOR FURTHER INFORMATION CONTACT** section. Written statements that do not pertain to a scheduled meeting of the Board may be submitted at any time. However, if individual comments pertain to a specific topic being discussed at the planned meeting, then these statements must be received at least 5 calendar days prior to the meeting, otherwise, the comments may not be provided to or considered by the Board until a later date. The Designated Federal Officer will compile all timely submissions with the Board's Chair and ensure such submissions are provided to Board Members before the meeting.

Dated: January 8, 2018.

Aaron Siegel,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 2018–00335 Filed 1–10–18; 8:45 am]

BILLING CODE 5001–06–P

DEPARTMENT OF ENERGY

Environmental Management Site-Specific Advisory Board, Oak Ridge Reservation

AGENCY: Department of Energy.

ACTION: Notice of open meeting.

SUMMARY: This notice announces a meeting of the Environmental Management Site-Specific Advisory Board (EM SSAB), Oak Ridge Reservation. The Federal Advisory Committee Act requires that public notice of this meeting be announced in the **Federal Register**.

DATES: Wednesday, February 14, 2018, 6:00 p.m.

ADDRESSES: Department of Energy Information Center, Office of Science and Technical Information, 1 Science.gov Way, Oak Ridge, Tennessee 37831.

FOR FURTHER INFORMATION CONTACT: Melyssa P. Noe, Alternate Deputy Designated Federal Officer, U.S. Department of Energy, Oak Ridge Office of Environmental Management (OREM), P.O. Box 2001, EM–942, Oak Ridge, TN 37831. Phone (865) 241–3315; Fax (865) 241–6932; E-Mail: *Melyssa.Noe@orem.doe.gov*. Or visit the website at *https://energy.gov/orem/services/community-engagement/oak-ridge-site-specific-advisory-board*.

SUPPLEMENTARY INFORMATION:

Purpose of the Board: The purpose of the Board is to make recommendations to DOE–EM and site management in the areas of environmental restoration, waste management, and related activities.

Tentative Agenda

- Welcome and Announcements
- Comments From the Deputy Designated Federal Officer (DDFO)
- Comments From the DOE, Tennessee Department of Environment and Conservation and Environmental Protection Agency Liaisons
- Public Comment Period
- Presentation: Overview of Excess Contaminated Facilities
- Motions/Approval of November 8, 2017 Meeting Minutes
- Status of Outstanding Recommendations
- Alternate DDFO Report
- Committee Reports
- Adjourn

Public Participation: The EM SSAB, Oak Ridge, welcomes the attendance of the public at its advisory committee meetings and will make every effort to accommodate persons with physical disabilities or special needs. If you require special accommodations due to a disability, please contact Melyssa P. Noe at least seven days in advance of the meeting at the phone number listed above. Written statements may be filed with the Board either before or after the meeting. Individuals who wish to make oral statements pertaining to the agenda item should contact Melyssa P. Noe at the address or telephone number listed above. Requests must be received five days prior to the meeting and reasonable provision will be made to include the presentation in the agenda. The Deputy Designated Federal Officer is empowered to conduct the meeting in a fashion that will facilitate the orderly conduct of business. Individuals wishing to make public comments will be provided a maximum of five minutes to present their comments.

Minutes: Minutes will be available by writing or calling Melyssa P. Noe at the address and phone number listed above. Minutes will also be available at the following website: *https://energy.gov/orem/listings/oak-ridge-site-specific-advisory-board-meetings*.

Issued at Washington, DC, on January 8, 2018.

LaTanya R. Butler,

Deputy Committee Management Officer.

[FR Doc. 2018–00349 Filed 1–10–18; 8:45 am]

BILLING CODE 6450–01–P

DEPARTMENT OF ENERGY

Office of Energy Efficiency and Renewable Energy

Extension of Approved Information Collection

AGENCY: Office of Energy Efficiency and Renewable Energy, U.S. Department of Energy.

ACTION: Notice and request for comments.

SUMMARY: The Department of Energy (DOE) invites public comment on a proposed collection of information that DOE is developing for submission to the Office of Management and Budget (OMB) pursuant to the Paperwork Reduction Act of 1995. The proposed collection of information relates to DOE's Superior Energy Performance certification and 50001 Ready recognition programs. Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

DATES: Comments regarding this proposed information collection must be received on or before March 12, 2018. If you anticipate difficulty in submitting comments within that period, contact the person listed in **ADDRESSES** as soon as possible.

ADDRESSES: Written comments may be sent to Paul Scheihing, EE–5A/Forrestal Building, 1000 Independence Avenue SW, Washington, DC 20585, by fax at 202–586–9234, or by email at *paul.scheihing@ee.doe.gov.*

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of the information collection instrument and instructions should be directed to Paul Scheihing, EE–5A/Forrestal Building, 1000 Independence Avenue SW, Washington, DC 20585, by fax at 202–586–9234, or by email at paul.*scheihing@ee.doe.gov.*

SUPPLEMENTARY INFORMATION: This information collection request contains:

(1) *OMB No.:* 1910;

(2) *Information Collection Request Title:* Department of Energy Superior Energy Performance® Certification Program Information Collection Request;

(3) *Type of Request:* Renewal;

(4) *Purpose:* This Information Collection Request applies to the Department of Energy (DOE) voluntary ISO 50001 programs for industrial facilities: Superior Energy Performance® (SEP®) and 50001 Ready™ recognition. The information being collected is needed so as to include participants in the DOE's SEP. SEP is an energy efficiency certification and recognition program for industrial facilities demonstrating energy management excellence and sustained energy savings. 50001 Ready recognition is a self-attestation of the implementation of an ISO 50001 energy management system without the need for external audits.

SEP builds on the ISO 50001 energy management system standard and provides a rigorous, internationally-recognized business process for companies to continually improve their energy performance. The SEP third-party verification of energy performance improvement is unique in the marketplace, and assists to differentiate certified companies from their competitors. This request for information consists of a voluntary data collection process for SEP participation: To enroll industrial facilities, manage and track certification cycles, and relay the costs and benefits of SEP certification to industry. 50001 Ready collects a minimal amount of self-attested information to manage and track recognition cycles and to recognize the achievements of its participants.

There are four types of information to be collected from primary participants: (1) Background data, including contact information and basic information about

the facility's experience with energy management—collected in the SEP Enrollment Form; (2) Basic facility information about its energy use, energy consumption, and energy performance indicators—collected in the SEP Application Form; (3) Information on energy performance improvement in SEP-certified facilities—collected in the SEP Energy Performance Improvement Report; (4) Information on the costs and benefits of participating in SEP (optional; not required for SEP certification)—collected in the SEP Voluntary Costs/Benefits Form. 50001 Ready collects only a subset of the same types of information in categories (1), (2), and (3), and without the need for external audit.

Background data will primarily be used to track basic information about SEP and 50001 Ready participants and identify opportunities to provide participants with technical assistance. Basic information about a facility's energy use, energy consumption, and energy performance indicators will be used to administer SEP and 50001 Ready. Information on energy performance improvement will be used by DOE to manage and track participation cycles, and to track the results of participation in SEP and 50001 Ready. For SEP, optional information on costs and benefits of SEP participation will be used to conduct and refine analysis on the costs and benefits of SEP participation. Responses to the DOE's Information Collection Request will be voluntary.

(5) *Annual Estimated Number of Respondents:* 575;

(6) *Annual Estimated Number of Total Responses:* 475;

(7) *Annual Estimated Number of Burden Hours:* 650;

(8) *Annual Estimated Reporting and Recordkeeping Cost Burden:* $31,295.

Statutory Authority: Accelerating Investment in Industrial Energy Efficiency. Executive Order 13624, 77 FR 54779 (Aug. 30, 2012); 42 U.S.C. 16191.

Paul Scheihing,

Technology Manager, Advanced Manufacturing Office.

[FR Doc. 2018–00361 Filed 1–10–18; 8:45 am]

BILLING CODE 6450–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket Nos. CP17–441–000 and CP17–441–001]

Northwest Pipeline LLC; Notice of Schedule for Environmental Review of the North Seattle Lateral Upgrade Project

On May 11, 2017, Northwest Pipeline LLC (Northwest) filed an application with the Federal Energy Regulatory Commission (Commission or FERC) in docket number CP17–441–000 requesting a Certificate of Public Convenience and Necessity pursuant to Sections 7(b) and 7(c) of the Natural Gas Act to construct and operate certain natural gas pipeline facilities. The proposed project is known as the North Seattle Lateral Upgrade Project (Project), and would replace an existing 8-inch-diameter pipeline with a 20-inch-diameter pipeline, increasing the design capacity on Northwest's system to serve Puget Sound Energy.

On October 23, 2017, Northwest filed an amendment to its application, and on November 2, 2017, the Commission the issued a Notice of Amendment to the Application for the revised Project. Among other things, that notice alerted agencies issuing federal authorizations of the requirement to complete all necessary reviews and to reach a final decision on a request for a federal authorization within 90 days of the date of issuance of the Commission staff's Environmental Assessment (EA) for the Project. This instant notice identifies the FERC staff's planned schedule for the completion of the EA for the Project.

Schedule for Environmental Review

Issuance of EA: February 12, 2018.

90-day Federal Authorization Decision Deadline: May 13, 2018.

If a schedule change becomes necessary, additional notice will be provided so that the relevant agencies are kept informed of the Project's progress.

Project Description

Northwest proposes to remove approximately 5.8 miles of the 8-inch-diameter North Seattle Lateral pipeline in Snohomish County, Washington and replace it with 20-inch-diameter pipeline, primarily in the same trench. The North Seattle Lateral Upgrade Project would consist of the following facilities:

- Replace 5.8-miles of 8-inch-diameter pipeline with 20-inch-diameter pipeline;
- rebuild the existing North Seattle/Everett meter station in order to accommodate the increased delivery capacity of the North Seattle Lateral;
- relocate an existing 8-inch pig launcher and a 20-inch pig receiver; [1] and
- replace an existing 8-inch mainline valve with a 20-inch valve.

Background

On June 21, 2017, the FERC issued a *Notice of Intent to Prepare an Environmental Assessment for the Proposed North Seattle Lateral Upgrade Project, Request for Comments on Environmental Issues, and Notice of Public Scoping Session* (NOI) in Docket No. CP17–441–000. The NOI was mailed to 409 parties, including affected landowners; federal, state, and local government representatives and agencies; elected officials; environmental and public interest groups; Native American tribes; other interested parties; and local libraries. We also held a public scoping comment session in the Project area on July 13, 2017.

The primary issues raised by commenters were impacts on residences (including noise, dust, drainage, and vegetation clearing), biological and water resources impacts, alternative routings for crossing the Fritch Mill property, pipeline safety, and impacts on adjacent utility easements and infrastructure.

On October 23, 2017 Northwest amended its application, reducing the Project's incremental firm capacity from 196,311 to 159,299 dekatherms per day; reducing the length of the replacement 20-inch-diameter pipeline by about 1 mile; locating the replacement pig launcher/receiver at milepost 7.76; and changing the pipeline route between mileposts 2.1 and 2.2 so as to divert its pipeline system around the Fritch Mill. Accordingly, on November 21, 2017 we issued a *Supplemental Notice of Intent to Prepare an Environmental Assessment for the Amended North Seattle Lateral Upgrade Project and Request for Comments on Environmental Issues* (NOI) in Docket No. CP17–441–001. The Supplemental NOI was mailed to 312 parties, including affected landowners; federal, state, and local government representatives and agencies; elected officials; environmental and public interest groups; Native American tribes; other interested parties; and local libraries.

[1] A pig is a tool that the pipeline company inserts into and pushes through the pipeline for cleaning the pipeline, conducting internal inspections, or other purposes.

Comments on the Supplemental NOI concerned the need for relocating the pipeline off the existing right-of-way; impacts to springs, wetlands, and mature forest from the newly routed segment, and alternatives.

Additional Information

In order to receive notification of the issuance of the EA and to keep track of all formal issuances and submittals in specific dockets, the Commission offers a free service called eSubscription. This can reduce the amount of time you spend researching proceedings by automatically providing you with notification of these filings, document summaries, and direct links to the documents. Go to *www.ferc.gov/docs-filing/esubscription.asp.*

Additional information about the Project is available from the Commission's Office of External Affairs at (866) 208–FERC or on the FERC website (*www.ferc.gov*). Using the eLibrary link, select General Search from the eLibrary menu, enter the selected date range and Docket Number excluding the last three digits (*i.e.,* CP17–441), and follow the instructions. For assistance with access to eLibrary, the helpline can be reached at (866) 208–3676, TTY (202) 502–8659, or at *FERCOnlineSupport@ferc.gov.* The eLibrary link on the FERC website also provides access to the texts of formal documents issued by the Commission, such as orders, notices, and rule makings.

Dated: January 5, 2018.

Kimberly D. Bose,

Secretary.

[FR Doc. 2018–00328 Filed 1–10–18; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

Combined Notice of Filings #1

Take notice that the Commission received the following electric rate filings:

Docket Numbers: ER17–2218–002.
Applicants: PJM Interconnection, L.L.C.
Description: Compliance filing: Compliance Filing to 12.29.17 Order in ER17–2218—Revisions to PJM–MISO JOA to be effective 10/1/2017.
Filed Date: 1/5/18.
Accession Number: 20180105–5011.
Comments Due: 5 p.m. ET 1/26/18.

Docket Numbers: ER17–2220–002.
Applicants: Midcontinent Independent System Operator, Inc.
Description: Compliance filing: 2018–01–04_2017–08–01_Compliance filing re MISO–PJM JOA pseudo tie revisions to be effective 10/1/2017.
Filed Date: 1/4/18.
Accession Number: 20180104–5143.
Comments Due: 5 p.m. ET 1/25/18.

Docket Numbers: ER17–2513–001.
Applicants: Public Service Company of New Mexico.
Description: Compliance filing: Notice of Effective Date to be effective N/A.
Filed Date: 1/5/18.
Accession Number: 20180105–5039.
Comments Due: 5 p.m. ET 1/26/18.

Docket Numbers: ER18–597–000.
Applicants: ITC Midwest LLC.
Description: § 205(d) Rate Filing: Filing of a Master JUA for Distribution Underbuild with SW IA Rural Elec Coop to be effective 3/5/2018.
Filed Date: 1/4/18.
Accession Number: 20180104–5139.
Comments Due: 5 p.m. ET 1/25/18.

Docket Numbers: ER18–598–000.
Applicants: Midcontinent Independent System Operator, Inc.
Description: § 205(d) Rate Filing: 2018–01–04_SA 3081 UMERC–ATC GIA (J704) to be effective 12/19/2017.
Filed Date: 1/4/18.
Accession Number: 20180104–5147.
Comments Due: 5 p.m. ET 1/25/18.

Docket Numbers: ER18–599–000.
Applicants: Southwest Power Pool, Inc.
Description: § 205(d) Rate Filing: 3388 East River Electric/Otter Tail Power/ MISO Int Agr to be effective 1/1/2018.
Filed Date: 1/4/18.
Accession Number: 20180104–5153.
Comments Due: 5 p.m. ET 1/25/18.

Docket Numbers: ER18–599–000.
Applicants: Southwest Power Pool, Inc.
Description: § 205(d) Rate Filing: 3388 East River Electric/Otter Tail Power/ MISO Int Agr to be effective 1/1/2018.
Filed Date: 1/4/18.
Accession Number: 20180104–5154.
Comments Due: 5 p.m. ET 1/25/18.

Docket Numbers: ER18–600–000.
Applicants: Midcontinent Independent System Operator, Inc., Otter Tail Power Company.
Description: § 205(d) Rate Filing: 2018–01–04_SA 3080 OTP-East River T–T (Blair) to be effective 1/1/2018.
Filed Date: 1/4/18.
Accession Number: 20180104–5155.
Comments Due: 5 p.m. ET 1/25/18.

Docket Numbers: ER18–600–000.
Applicants: Midcontinent Independent System Operator, Inc., Otter Tail Power Company.
Description: § 205(d) Rate Filing: 2018–01–04_SA 3080 OTP-East River T–T (Blair) to be effective 1/1/2018.
Filed Date: 1/4/18.
Accession Number: 20180104–5156.
Comments Due: 5 p.m. ET 1/25/18.

Docket Numbers: ER18–601–000.
Applicants: Southern California Edison Company.
Description: § 205(d) Rate Filing: Four SGIAs Monolith 4, 5 6, 7 Projects Terra-Gen 251 Wind, LLC to be effective 1/17/2018.
Filed Date: 1/4/18.
Accession Number: 20180104–5163.
Comments Due: 5 p.m. ET 1/25/18.

Docket Numbers: ER18–602–000.
Applicants: Southwest Power Pool, Inc.
Description: § 205(d) Rate Filing: Central Power Electric Cooperative Depreciation Rates to be effective 1/1/2016.
Filed Date: 1/4/18.
Accession Number: 20180104–5165.
Comments Due: 5 p.m. ET 1/25/18.

Docket Numbers: ER18–603–000.
Applicants: Southern California Edison Company.
Description: § 205(d) Rate Filing: GIA and Distrib Serv Agmt Wintec Energy, LTD—Wintec Palm Project WDT1506 to be effective 1/2/2018.
Filed Date: 1/5/18.
Accession Number: 20180105–5010.
Comments Due: 5 p.m. ET 1/26/18.

Docket Numbers: ER18–604–000.
Applicants: New York Independent System Operator, Inc.
Description: Petition for Temporary Tariff Waivers of New York Independent System Operator, Inc.
Filed Date: 1/4/18.
Accession Number: 20180104–5178.
Comments Due: 5 p.m. ET 1/11/18.

Docket Numbers: ER18–605–000.
Applicants: Mid-Atlantic Interstate Transmission, LLC, PJM Interconnection, L.L.C.
Description: § 205(d) Rate Filing: MAIT submits Operating and Interconnection Agreements SA Nos. 4577 and 4578 to be effective 3/7/2018.
Filed Date: 1/5/18.
Accession Number: 20180105–5038.
Comments Due: 5 p.m. ET 1/26/18.

The filings are accessible in the Commission's eLibrary system by clicking on the links or querying the docket number.

Any person desiring to intervene or protest in any of the above proceedings must file in accordance with Rules 211 and 214 of the Commission's Regulations (18 CFR 385.211 and 385.214) on or before 5:00 p.m. Eastern time on the specified comment date. Protests may be considered, but intervention is necessary to become a party to the proceeding.

eFiling is encouraged. More detailed information relating to filing requirements, interventions, protests, service, and qualifying facilities filings can be found at: *http://www.ferc.gov/docs-filing/efiling/filing-req.pdf.* For other information, call (866) 208–3676 (toll free). For TTY, call (202) 502–8659.

Dated: January 5, 2018.

Nathaniel J. Davis, Sr.,

Deputy Secretary.

[FR Doc. 2018–00324 Filed 1–10–18; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

Combined Notice of Filings #2

Take notice that the Commission received the following electric rate filings:

Docket Numbers: ER17–274–003.
Applicants: GenOn Energy Management, LLC.
Description: Report Filing: Refund Report—Informational Filing (Docket No. EL16–118–000) to be effective N/A.
Filed Date: 1/5/18.
Accession Number: 20180105–5094.
Comments Due: 5 p.m. ET 1/26/18.

Docket Numbers: ER18–606–000.
Applicants: AES Ohio Generation, LLC.
Description: § 205(d) Rate Filing: AES Ohio Reactive Power Filing [EC18–41–000] to be effective 12/31/9998.
Filed Date: 1/5/18.
Accession Number: 20180105–5092.
Comments Due: 5 p.m. ET 1/26/18.

Docket Numbers: ER18–607–000.
Applicants: PacifiCorp.
Description: § 205(d) Rate Filing: BPA Construction Agmt ? UIUC Myrtle Creek to be effective 12/15/2017.
Filed Date: 1/5/18.
Accession Number: 20180105–5099.
Comments Due: 5 p.m. ET 1/26/18.

Docket Numbers: ER18–608–000.
Applicants: PJM Interconnection, L.L.C.
Description: Compliance filing: Compliance filing per 12/15/2017 order in Docket No. EL17–90–000 to be effective 12/31/2017.
Filed Date: 1/5/18.
Accession Number: 20180105–5102.
Comments Due: 5 p.m. ET 1/26/18.

Docket Numbers: ER18–609–000.
Applicants: Louisville Gas and Electric Company.
Description: § 205(d) Rate Filing: Att G Revision SERC EOP–011–1 Guidance to be effective 1/6/2018.
Filed Date: 1/5/18.
Accession Number: 20180105–5124.
Comments Due: 5 p.m. ET 1/26/18.

Docket Numbers: ER18–610–000.
Applicants: Louisville Gas and Electric Company.
Description: § 205(d) Rate Filing: Att C ATC Methodology Revision to be effective 3/6/2018.
Filed Date: 1/5/18.
Accession Number: 20180105–5134.
Comments Due: 5 p.m. ET 1/26/18.

Docket Numbers: ER18–611–000.
Applicants: ITC Midwest LLC.
Description: § 205(d) Rate Filing: Filing of a Master JUA for Distribution Underbuild with Grundy County REC to be effective 3/6/2018.
Filed Date: 1/5/18.
Accession Number: 20180105–5135.
Comments Due: 5 p.m. ET 1/26/18.

Docket Numbers: ER18–612–000.
Applicants: ITC Midwest LLC.
Description: § 205(d) Rate Filing: Cancellation of Joint Use Agreements with Grundy REC to be effective 3/6/2018.
Filed Date: 1/5/18.
Accession Number: 20180105–5163.
Comments Due: 5 p.m. ET 1/26/18.

The filings are accessible in the Commission's eLibrary system by clicking on the links or querying the docket number.

Any person desiring to intervene or protest in any of the above proceedings must file in accordance with Rules 211 and 214 of the Commission's Regulations (18 CFR 385.211 and 385.214) on or before 5:00 p.m. Eastern time on the specified comment date. Protests may be considered, but intervention is necessary to become a party to the proceeding.

eFiling is encouraged. More detailed information relating to filing requirements, interventions, protests, service, and qualifying facilities filings can be found at: *http://www.ferc.gov/docs-filing/efiling/filing-req.pdf.* For other information, call (866) 208–3676 (toll free). For TTY, call (202) 502–8659.

Dated: January 5, 2018.

Nathaniel J. Davis, Sr.,

Deputy Secretary.

[FR Doc. 2018–00325 Filed 1–10–18; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

Combined Notice of Filings

Take notice that the Commission received the following Natural Gas Pipeline Rate and Refund Report Filings:

Filings Instituting Proceedings

Docket Numbers: RP18–319–000.

Applicants: Northern Natural Gas Company.

Description: Northern Natural Gas Company submits tariff filing per 154.204: 20180104 Negotiated Rate to be effective 1/1/2018.

Filed Date: 1/4/18.

Accession Number: 20180104–5151.

Comments Due: 5 p.m. ET 1/16/18.

Docket Numbers: RP18–320–000.

Applicants: Rockies Express Pipeline LLC.

Description: Rockies Express Pipeline LLC submits tariff filing per 154.204: Neg Rate 2018–01–04 BP, Encana to be effective 1/4/2018.

Filed Date: 1/4/18.

Accession Number: 20180104–5166.

Comments Due: 5 p.m. ET 1/16/18.

Docket Numbers: RP17–851–001.

Applicants: Gulf South Pipeline Company, LP.

Description: Gulf South Pipeline Company, LP submits tariff filing per 154.203: Compliance Filing in Docket No. RP17–851–000 to be effective 12/21/2017.

Filed Date: 1/5/18.

Accession Number: 20180105–5018.

Comment Date: 5:00 p.m. ET 1/17/2018.

The filings are accessible in the Commission's eLibrary system by clicking on the links or querying the docket number.

Any person desiring to intervene or protest in any of the above proceedings must file in accordance with Rules 211 and 214 of the Commission's Regulations (18 CFR 385.211 and 385.214) on or before 5:00 p.m. Eastern time on the specified comment date. Protests may be considered, but intervention is necessary to become a party to the proceeding.

eFiling is encouraged. More detailed information relating to filing requirements, interventions, protests, service, and qualifying facilities filings can be found at: *http://www.ferc.gov/docs-filing/efiling/filing-req.pdf.* For other information, call (866) 208–3676 (toll free). For TTY, call (202) 502–8659.

Dated: January 5, 2018.

Nathaniel J. Davis, Sr.,

Deputy Secretary.

[FR Doc. 2018–00326 Filed 1–10–18; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. EL18–55–000]

EDF Renewables Energy, Inc. v. Midcontinent Independent System Operator, Inc.; Notice of Complaint

Take notice that on January 4, 2018, pursuant to sections 206 and 306 of the Federal Power Act, 16 U.S.C. 824(e), 825e, and Rule 206 of the Federal Energy Regulatory Commission's (Commission) Rules of Practice and Procedure, 18 CFR 385.206, EDF Renewables Energy, Inc. (Complainant) filed a formal complaint against Midcontinent Independent System Operator, Inc. (MISO or Respondent) alleging that MISO's Tariff is no longer just and reasonable because MISO cannot deliver interconnection studies and a generation interconnection agreement in sufficient advanced time to allow proposed wind generation projects to achieve commercial operation as needed to benefit from the Federal Production Tax Credit, all as more fully explained in the complaint.

Complainant certify that copies of the complaint were served on the contacts for MISO as listed on the Commission's list of Corporate Officials.

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211, 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. The Respondent's answer and all interventions, or protests must be filed on or before the comment date. The Respondent's answer, motions to intervene, and protests must be served on the Complainants.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the ''eFiling'' link at *http://www.ferc.gov.* Persons unable to file electronically should submit an original and 5 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426.

This filing is accessible on-line at *http://www.ferc.gov,* using the eLibrary link and is available for electronic review in the Commission's Public Reference Room in Washington, DC. There is an eSubscription link on the website that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email *FERCOnlineSupport@ferc.gov,* or call (866) 208–3676 (toll free). For TTY, call (202) 502–8659.

Comment Date: 5:00 p.m. Eastern Time on January 24, 2018.

Dated: January 5, 2018.

Kimberly D. Bose,

Secretary.

[FR Doc. 2018–00330 Filed 1–10–18; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 14864–000]

Watterra Energy, LLC; Notice of Preliminary Permit Application Accepted for Filing and Soliciting Comments and Motions To Intervene

On November 29, 2017, Watterra Energy, LLC filed an application for a preliminary permit, pursuant to section 4(f) of the Federal Power Act (FPA), proposing to study the feasibility of the Barren River Lake Dam Hydroelectric Project (project), to be located at the existing U.S. Army Corps of Engineers' Barren River Lake Dam on the Barren River near the City of Bowling Green, Barren County, Kentucky. The sole purpose of a preliminary permit, if issued, is to grant the permit holder priority to file a license application during the permit term. A preliminary permit does not authorize the permit holder to perform any land-disturbing activities or otherwise enter upon lands or waters owned by others without the owners' express permission.

The proposed project would consist of the following: (1) A 960-foot-long, 14-foot-diameter steel penstock lining the existing concrete conduit; (2) a 14-foot-long, 14-foot-wide bifurcation structure attached to the proposed penstock, with one 265-foot-long branch extending to the proposed powerhouse, and the other 86-foot-long branch extending to the existing stilling basin to provide an outlet point for the release of floodwaters; (3) a 70-foot-long, 55-foot-wide powerhouse containing two Kaplan generating units with a total capacity of 11.63 megawatts; (4) a 75-foot-long tailrace; (5) a 50-foot-long, 50-foot-wide switchyard; and (6) a 4,210-foot-long, 12.5-kilovolt transmission line. The estimated annual generation of the project would be 41.64 gigawatt-hours, and would operate as directed by the U.S. Army Corps of Engineers.

Applicant Contact: Mr. Craig Dalton, Watterra Energy, LLC, 220 West Main Street, Hamilton, MT 59840; phone: (406) 384–0080.

FERC Contact: Navreet Deo; phone: (202) 502–6304.

Deadline for filing comments, motions to intervene, competing applications (without notices of intent), or notices of intent to file competing applications: 60 days from the issuance of this notice. Competing applications and notices of intent must meet the requirements of 18 CFR 4.36.

The Commission strongly encourages electronic filing. Please file comments, motions to intervene, notices of intent, and competing applications using the Commission's eFiling system at *http://www.ferc.gov/docs-filing/efiling.asp.* Commenters can submit brief comments up to 6,000 characters, without prior registration, using the eComment system at *http://www.ferc.gov/docs-filing/ecomment.asp.* You must include your name and contact information at the end of your comments. For assistance, please contact FERC Online Support at *FERCOnlineSupport@ferc.gov,* (866) 208–3676 (toll free), or (202) 502–8659 (TTY). In lieu of electronic filing, please send a paper copy to: Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426. The first page of any filing should include docket number P–14864–000.

More information about this project, including a copy of the application, can be viewed or printed on the eLibrary link of Commission's website at *http://www.ferc.gov/docs-filing/elibrary.asp.* Enter the docket number (P–14864) in the docket number field to access the document. For assistance, contact FERC Online Support.

Dated: January 5, 2018.

Kimberly D. Bose,

Secretary.

[FR Doc. 2018–00331 Filed 1–10–18; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket Nos. CP18–37–000, CP18–38–000]

Sierrita Gas Pipeline LLC; Notice of Applications

Take notice that on December 21, 2017, Sierrita Gas Pipeline, LLC (Sierrita), P.O. Box 1087, Colorado Springs, Colorado 80944, has filed two applications, pursuant to sections 7(c)

and 3 of the Natural Gas Act (NGA) and the Federal Energy Regulatory Commission's (Commission) regulations, requesting authorization for the construction and operation of Sierrita Compressor Expansion Project (Project) located in Pima County, Arizona. Concurrent with this Section 7(c) application, Sierrita has filed a Section 3 application to amend existing Presidential Permit, all as more fully described in the application which is on file with the Commission and open to public inspection. The filing may also be viewed on the web at *http://www.ferc.gov* using the ''eLibrary'' link. Enter the docket number excluding the last three digits in the docket number field to access the document. For assistance, contact FERC at *FERCOnlineSupport@ferc.gov* or call toll-free, (866) 208–3676 or TTY, (202) 502–8659.

Specifically, in Docket No. CP18–37–000, Sierrita's Section 7(c) Project consists of: (1) Installing one new Solar Mars 100 turbine/compressor unit that is ISO rated at 15,900 horsepower (HP) located at approximately Milepost (MP) 6 on Line No. 2177; (2) installing an additional gas meter at the existing San Joaquin Meter Station on Line No. 2177; and (3) relocating an existing Mainline Valve 2 (MLV 2) and inspection tool launcher and receiver from MP 1.2 to MP 6.5 on Line No. 2177; all located in Pima County, Arizona. Additionally, in Docket No. CP18–38–000 Sierrita is requesting an amendment to its Section 3 authorization and its Presidential Permit for increased design capacity to 627,000 Mcf/Day at its border crossing into Mexico near the town of Sasabe, Arizona, also in Pima County.

Any questions regarding this application should be directed to Francisco Tarin, Regulatory Director, Sierrita Gas Pipeline LLC, P.O. Box 1087, Colorado Springs, CO 80944, or call (719) 667–7517, or email: *SierritaRegulatoryAffairs@kindermorgan.com*.

Pursuant to section 157.9 of the Commission's rules, 18 CFR 157.9, within 90 days of this Notice the Commission staff will either: Complete its environmental assessment (EA) and place it into the Commission's public record (eLibrary) for this proceeding; or issue a Notice of Schedule for Environmental Review. If a Notice of Schedule for Environmental Review is issued, it will indicate, among other milestones, the anticipated date for the Commission staff's issuance of the final environmental impact statement (FEIS) or EA for this proposal. The filing of the EA in the Commission's public record for this proceeding or the issuance of a Notice of Schedule for Environmental Review will serve to notify federal and state agencies of the timing for the completion of all necessary reviews, and the subsequent need to complete all federal authorizations within 90 days of the date of issuance of the Commission staff's FEIS or EA.

There are two ways to become involved in the Commission's review of this project. First, any person wishing to obtain legal status by becoming a party to the proceedings for this project should, on or before the comment date stated below file with the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426, a motion to intervene in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 385.214 or 385.211) and the Regulations under the NGA (18 CFR 157.10). A person obtaining party status will be placed on the service list maintained by the Secretary of the Commission and will receive copies of all documents filed by the applicant and by all other parties. A party must submit 7 copies of filings made in the proceeding with the Commission and must mail a copy to the applicant and to every other party. Only parties to the proceeding can ask for court review of Commission orders in the proceeding.

However, a person does not have to intervene in order to have comments considered. The second way to participate is by filing with the Secretary of the Commission, as soon as possible, an original and two copies of comments in support of or in opposition to this project. The Commission will consider these comments in determining the appropriate action to be taken, but the filing of a comment alone will not serve to make the filer a party to the proceeding. The Commission's rules require that persons filing comments in opposition to the project provide copies of their protests only to the party or parties directly involved in the protest.

Persons who wish to comment only on the environmental review of this project should submit an original and two copies of their comments to the Secretary of the Commission. Environmental commentors will be placed on the Commission's environmental mailing list, will receive copies of the environmental documents, and will be notified of meetings associated with the Commission's environmental review process. Environmental commentors will not be required to serve copies of filed documents on all other parties. However, the non-party commentors will not receive copies of all documents filed by other parties or issued by the Commission (except for the mailing of environmental documents issued by the Commission) and will not have the right to seek court review of the Commission's final order.

The Commission strongly encourages electronic filings of comments, protests and interventions in lieu of paper using the eFiling link at *http://www.ferc.gov*. Persons unable to file electronically should submit an original and 5 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426.

Comment Date: 5:00 p.m. Eastern Time on January 26, 2018.

Dated: January 5, 2018.

Kimberly D. Bose,

Secretary.

[FR Doc. 2018–00329 Filed 1–10–18; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. EL18–45–000]

Great River Energy; Notice of Institution of Section 206 Proceeding

On January 5, 2018, the Commission issued an order in Docket No. EL18–45–000, pursuant to section 206 of the Federal Power Act, 16 U.S.C. 824e (2012), instituting an investigation into whether Great River Energy's cost-based revenue requirements for providing reactive power from certain of its generating units located in the Midcontinent Independent System Operator, Inc. region may be unjust and unreasonable. *Great River Energy,* 162 FERC 61,006 (2018).

Any interested person desiring to be heard in Docket No. EL18–45–000 must file a notice of intervention or motion to intervene, as appropriate, with the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426, in accordance with Rule 214 of the Commission's Rules of Practice and Procedure, 18 CFR 385.214, within 21 days of the date of issuance of the order.

Dated: January 5, 2018.

Nathaniel J. Davis, Sr.,

Deputy Secretary.

[FR Doc. 2018–00327 Filed 1–10–18; 8:45 am]

BILLING CODE 6717–01–P

FARM CREDIT SYSTEM INSURANCE CORPORATION

Regular Meeting; Farm Credit System Insurance Corporation Board

AGENCY: Farm Credit System Insurance Corporation.

ACTION: Notice, regular meeting.

SUMMARY: Notice is hereby given of the regular meeting of the Farm Credit System Insurance Corporation Board (Board).

DATES: The meeting of the Board will be held at the offices of the Farm Credit Administration in McLean, Virginia, on January 18, 2018, from 2:00 p.m. until such time as the Board concludes its business.

ADDRESSES: Farm Credit System Insurance Corporation, 1501 Farm Credit Drive, McLean, Virginia 22102. Submit attendance requests via email to *VisitorRequest@FCA.gov.* See **SUPPLEMENTARY INFORMATION** for further information about attendance requests.

FOR FURTHER INFORMATION CONTACT: Dale L. Aultman, Secretary to the Farm Credit System Insurance Corporation Board, (703) 883–4009, TTY (703) 883–4056, *aultmand@fca.gov*.

SUPPLEMENTARY INFORMATION: This meeting of the Board will be open to the public (limited space available). Please send an email to *VisitorRequest@FCA.gov* at least 24 hours before the meeting. In your email include: Name, postal address, entity you are representing (if applicable), and telephone number. You will receive an email confirmation from us. Please be prepared to show a photo identification when you arrive. If you need assistance for accessibility reasons, or if you have any questions, contact Dale L. Aultman, Secretary to the Farm Credit System Insurance Corporation Board, at (703) 883–4009. The matters to be considered at the meeting are:

Open Session

A. *Approval of Minutes*

- December 14, 2017

B. *New Business*

- Review of Insurance Premium Rates

Dated: January 8, 2018.

Dale L. Aultman,

Secretary, Farm Credit System Insurance Corporation Board.

[FR Doc. 2018–00350 Filed 1–10–18; 8:45 am]

BILLING CODE 6710–01–P

FEDERAL RESERVE SYSTEM

[Docket No. OP–1594]

Proposed Supervisory Guidance

AGENCY: Board of Governors of the Federal Reserve System (Board).

ACTION: Proposed supervisory guidance.

SUMMARY: The Board is seeking comment on proposed guidance describing core principles of effective senior management, the management of business lines, and independent risk management and controls for large financial institutions. The proposal would apply to domestic bank holding companies with total consolidated assets of $50 billion or more; savings and loan holding companies with total consolidated assets of $50 billion or more; the combined U.S. operations of foreign banking organizations with combined U.S. assets of $50 billion or more; any state member bank subsidiaries of the foregoing; and systemically important nonbank financial companies designated by the Financial Stability Oversight Council for supervision by the Board.

DATES: Comments must be received no later than March 15, 2018.

ADDRESSES: Interested parties are invited to submit written comments by following the instructions for submitting comments at *http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm.*

- *Federal eRulemaking Portal: http://www.regulations.gov.* Follow the instructions for submitting comments.
- *Email: regs.comments@federalreserve.gov.* Include the docket number in the subject line of the message.
- *Fax:* (202) 452–3819 or (202) 452–3102.
- *Mail:* Address to Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue NW, Washington, DC 20551.

All public comments will be made available on the Board's website at *http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm* as submitted, unless modified for technical reasons. Accordingly, comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper in Room 3515, 1801 K Street NW (between 18th and 19th Street NW), Washington, DC 20006 between 9:00 a.m. and 5:00 p.m. on weekdays.

FOR FURTHER INFORMATION CONTACT: Michael Hsu, Associate Director, (202) 912–4330, Richard Naylor, Associate Director, (202) 728–5854, Vaishali Sack, Manager, (202) 452–5221, April Snyder, Manager, (202) 452–3099, David Palmer, Senior Supervisory Financial Analyst, (202) 452–2904, Jennifer Su, Senior Supervisory Financial Analyst, (202) 475–6348, Christine Graham, Senior Supervisory Financial Analyst, (202) 452–3005, Division of Supervision and Regulation; Laurie Schaffer, Associate General Counsel, (202) 452–2272, Benjamin W. McDonough, Assistant General Counsel, (202) 452–2036, Scott Tkacz, Senior Counsel, (202) 452–2744, Keisha Patrick, Senior Counsel, (202) 452–3559, or Christopher Callanan, Senior Attorney, (202) 452–3594, Legal Division, Board of Governors of the Federal Reserve System, 20th and C Streets NW, Washington, DC 20551. For the hearing impaired only, Telecommunications Device for the Deaf (TDD) users may contact (202) 263–4869.

SUPPLEMENTARY INFORMATION:

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I. Background

The Board invites comment on proposed guidance setting forth core principles of effective senior management, the management of business lines, and independent risk management (''IRM'') and controls for large financial institutions (''LFIs''). This proposal is part of a broader initiative by the Federal Reserve to develop a supervisory rating system and related supervisory guidance that would align with its consolidated supervisory framework for LFIs. Drawing on lessons from the 2007–2009 financial crisis, the Federal Reserve reevaluated its approach to supervision of LFIs, including systemically important firms. In 2010, the Federal Reserve established the Large Institution Supervision Coordinating Committee (''LISCC'') to coordinate its supervisory oversight for the systemically important firms that pose the greatest risk to U.S. financial

stability.[1] In 2012, the Federal Reserve implemented a new consolidated supervisory program for LFIs (''LFI supervision framework'') described in SR letter 12–17.[2] The LFI supervision framework is focused on four core areas—capital planning and positions, liquidity risk management and positions, governance and controls, and resolution planning.[3]

II. LFI Rating System and Board Effectiveness Proposals

In August 2017, the Board invited comment on two proposals that relate to this guidance, a new rating system for LFIs (''proposed LFI rating system'')[4] and proposed guidance addressing supervisory expectations for boards of directors (''BE proposal'').[5] On November 17, 2017, the Board extended the public comment period for the proposed LFI rating system and BE proposal until February 15, 2018, to give the public an opportunity to understand and comment on the proposed LFI rating system, the BE proposal, and this proposed guidance together.

The proposed LFI rating system would provide a supervisory evaluation of whether a firm possesses sufficient financial and operational strength and resilience to maintain safe and sound operations through a range of conditions. Consistent with the LFI supervision framework, the proposed LFI rating system would include assessments of a firm's capital, liquidity, and governance and controls. As discussed further below, the BE proposal and this proposal set forth supervisory expectations relevant to the assessment of a firm's governance and controls.

The governance and controls component would consist of three elements: (i) Effectiveness of a firm's board of directors, (ii) management of business lines and independent risk management and controls, and (iii) recovery planning (for domestic LISCC firms only).

To facilitate comment on the proposed LFI rating system, the preamble to the proposed LFI rating system included a summary which previewed the proposed expectations included in this proposal. This proposal is generally consistent with that summary, with two exceptions. First, this proposal expands the scope of the guidance to foreign banking organizations.[6] Second, this proposal adopts slightly different terminology than is used in the proposed LFI rating system to describe expectations for the management of business lines. However, the change does not change the substance of those expectations described in the proposed LFI rating system.[7] The Board would expect to apply the terminology used in this guidance in any final LFI rating system; however, this change would not impact the supervisory assessment of a firm's management of business lines for purposes of the governance and controls component rating.

The BE proposal sets forth attributes of an effective board of directors. It is intended to better distinguish the supervisory expectations for boards from those of senior management and encourage boards to focus time and attention on their core responsibilities.[8] The expectations in the BE proposal would inform the Board's evaluation of the effectiveness of a firm's board of directors under the governance and control component of the proposed LFI rating system.

III. Implementation

The proposed LFI rating system would provide a supervisory evaluation of whether a firm possesses sufficient financial and operational strength and resilience to maintain safe and sound operations through a range of conditions. This proposed guidance builds upon the proposed LFI rating system framework by providing additional detail regarding supervisory expectations for a firm's management of business lines and independent risk management and controls. For firms that would be subject to the proposed LFI rating system, these expectations would help inform the Federal Reserve's overall supervisory evaluation, for purposes of the proposed LFI rating system, of each firm's governance and controls to support the firm's financial and operational strength and resilience, which would be reflected by the governance and controls component rating under the proposed LFI rating system.[9]

The Federal Reserve would not expect to examine all of a firm's business lines which are subject to this proposed guidance during a single year. Instead, consistent with its current supervisory practice, the Federal Reserve would use a risk-based approach to determine which business lines of a firm to examine or review during the year. In conducting its supervisory planning for an upcoming exam cycle, the Federal Reserve would consider factors related to the potential for weaknesses in a firm's governance and controls.[10] Such factors would include the size and complexity of the business line, recent supervisory experience, the relative growth and maturity of the business line, and significant changes to strategy, structure, or management since the last

[1] Presently, the LISCC portfolio consists of eight domestic bank holding companies, four foreign banking organizations, and one nonbank financial company designated by the Financial Stability Oversight Council (''FSOC'') for supervision by the Federal Reserve. The domestic bank holding companies are: (1) Bank of America Corporation; (2) Bank of New York Mellon Corporation; (3) Citigroup Inc.; (4) Goldman Sachs Group, Inc.; (5) JP Morgan Chase & Co.; (6) Morgan Stanley; (7) State Street Corporation; and (8) Wells Fargo & Company. The foreign banking organizations are: (1) Barclays PLC; (2) Credit Suisse Group AG; (3) Deutsche Bank AG; and (4) UBS AG. The nonbank financial company is Prudential Financial, Inc. The list of firms included in the LISCC supervisory program is available at *https://www.federalreserve.gov/bankinforeg/large-institution-supervision.htm.* Hereinafter in this preamble, these firms may be referred to as ''LISCC firms.''

[2] *See* SR letter 12–17/CA letter 12–14, ''Consolidated Supervision Framework for Large Financial Institutions,'' (referred to as ''SR letter 12–17'' in this preamble).

[3] The Board previously set forth expectations for resolution planning for domestic LISCC firms in SR letter 14–8, ''Consolidated Recovery Planning for Certain Large Domestic Bank Holding Companies.''

[4] 82 FR 39049 (August 17, 2017). The proposed LFI rating system would apply to all bank holding companies with total consolidated assets of $50 billion or more; all non-insurance, non-commercial savings and loan holding companies with total consolidated assets of $50 billion or more; and U.S. intermediate holding companies of foreign banking organizations established pursuant to the Federal Reserve's Regulation YY.

[5] 82 FR 37219 (August 9, 2017).

[6] The preamble to the proposed LFI rating system described the management of business lines and IRM and controls for domestic LFIs, and noted that adjustments to extend applicability of the guidance to the U.S. operations of FBOs may be made prior to issuing this guidance for public comment. This preamble highlights those adjustments.

[7] See discussion of this change in section VI.B of this preamble.

[8] ''Board'' or ''board of directors'' also refers to committees of the board of directors, as appropriate.

At this time, recovery planning expectations apply only to domestic bank holding companies in the LISCC portfolio. *See* SR letter 14–8, ''Consolidated Recovery Planning for Certain Large Domestic Bank Holding Companies.'' Should the Federal Reserve expand the scope of recovery planning expectations to encompass additional firms, this rating will reflect such expectations for the broader set of firms.

[9] The Federal Reserve expects to finalize the proposed guidance for use in assigning initial ratings under the LFI rating system beginning in 2018. If the proposed LFI rating system were finalized before this proposed guidance, the Federal Reserve would use existing supervisory guidance to help inform its evaluation of each firm's governance and controls for purposes of the proposed LFI rating system, until such time that this proposed guidance is finalized.

For firms that would be subject to this proposed guidance but not subject to the proposed LFI rating system, this proposed guidance would help inform the Federal Reserve's evaluation of the firm's overall safety and soundness and the effectiveness of its risk management practices.

[10] For supervisory planning purposes, the Federal Reserve may reevaluate at any time which areas of a firm to examine or review, as circumstances warrant.

exam cycle. In order to minimize unnecessary duplication for firms subject to this guidance, the Federal Reserve would, to the extent possible, evaluate a firm's governance and controls in coordination with other relevant Federal and state agencies, particularly the primary regulators of the firm's insured depository institution subsidiaries.

IV. Objectives of the Proposed Guidance

The proposed guidance is intended to consolidate and clarify the Federal Reserve's existing supervisory expectations regarding risk management.[11] In addition, the proposed guidance is designed to delineate the roles and responsibilities for individuals and functions related to risk management. It would complement the BE proposal by aligning the attributes of senior management with those of an effective board of directors. For instance, the BE proposal provides that an effective board of directors sets the firm's strategy and risk tolerance, and this proposal contemplates that the firm's senior management implements the strategy and risk tolerance approved by the board. In this way, the proposed guidance would better distinguish the supervisory expectations for boards from those of senior management. The proposal also defines the roles and responsibilities for various individuals and functions within an organization that are accountable for risk management, including a firm's senior management, business line management, and independent risk management and audit functions. Delineating roles and responsibilities for risk management should enable the Federal Reserve to provide firms with more specific and consistent supervisory feedback.

V. Applicability

The proposed guidance would apply to domestic bank holding companies with total consolidated assets of $50 billion or more; savings and loan holding companies with total consolidated assets of $50 billion or more; the combined U.S. operations of foreign banking organizations (''FBOs'') with combined U.S. assets of $50 billion or more; any state member bank subsidiaries of the foregoing; and systemically important nonbank financial companies designated by FSOC for supervision by the Board.[12]

For FBOs, the proposed guidance would apply to an FBO's combined U.S. operations, including branch and subsidiary operations. This scope would be consistent with certain requirements of the Board's Regulation YY, which requires, among other things, FBOs to establish a risk management framework that covers both the U.S. branch and U.S. non-branch subsidiary operations, establish a U.S. risk committee to oversee the risks of the combined U.S. operations, and employ a chief risk officer (''CRO'') based in the United States.[13]

Given that an FBO's combined U.S. operations are part of a larger global organization, the proposed guidance notes that certain elements of an FBO's governance framework may be located outside of the United States. In this event, the proposed guidance provides that these elements should enable effective governance and risk management by the U.S. senior management, the U.S. risk committee, and the intermediate holding company (''IHC'') board (as applicable), and should facilitate U.S. supervisors' ability to assess the adequacy of governance and controls in the combined U.S. operations.

The proposed guidance also applies to nonbank financial companies supervised by the Board and insurance or commercial savings and loan holding companies with total consolidated assets of $50 billion or more. The concepts set forth in the proposed guidance relate to fundamental risk management practices that are applicable to all LFIs.

VI. Description of the Proposed Guidance

The proposed guidance is organized in three parts: (1) Core principles of effective senior management; (2) core principles of the management of business lines; and (3) core principles of IRM and controls.

A. Core Principles of Effective Senior Management

The proposed guidance sets forth core principles of effective senior management. Senior management is defined as the core group of individuals directly accountable to the board of directors for the sound and prudent day-to-day management of the firm. Under the board's oversight, a firm's senior management is responsible for managing the day-to-day operations of the firm and ensuring safety and soundness and compliance with laws and regulations, including those related to consumer protection, and internal policies and procedures. Two key responsibilities of senior management are overseeing the activities of the firm's business lines (individually and collectively) and the firm's IRM and system of internal control. In addition to the general expectations regarding senior management, the IRM and controls section of the proposed guidance sets forth specific expectations for the CRO and chief audit executive (''CAE''), as these individuals have specific responsibilities related to IRM and internal audit, respectively.

The proposed guidance tailors the application of these expectations for an FBO, given that the combined U.S. operations are part of a larger global organization. For instance, the proposed guidance notes that the risk tolerance for the combined U.S. operations may be developed separately for the IHC and branch operations, respectively, and notes that the strategy for the combined U.S. operations may mean the manner in which the U.S. operations support the global strategy. The proposal also notes that for an FBO, ''senior management'' can refer to individuals located inside or outside the United States who are accountable to the IHC board, U.S. risk committee, or global board of directors with respect to the U.S. operations.[14]

B. Core Principles of the Management of Business Lines

The proposed guidance sets forth core principles of the management of business lines. Business line management is defined as the core

[11] For firms subject to this proposed guidance, the proposed guidance would supersede SR letter 95–51, ''Rating the Adequacy of Risk Management Processes and Internal Controls at State Member Banks and Bank Holding Companies.'' SR letter 95–51 was superseded by SR letter 16–11 for state member banks, bank holding companies, and savings and loan holding companies (including insurance and commercial savings and loan holding companies) with less than $50 billion in total consolidated assets, and FBOs with consolidated U.S. assets of less than $50 billion. *See* SR letter 16–11, ''Supervisory Guidance for Assessing Risk Management at Supervised Institutions with Total Consolidated Assets Less than $50 Billion.''

[12] As described in the proposed guidance, references to ''firm'' refer to all entities subject to this guidance, including the combined U.S. operations of an FBO, unless the context requires otherwise.

[13] 12 CFR 252.155. For an FBO, references to CRO mean the U.S. CRO. Unlike this proposal, the BE proposal would not apply to the U.S. operations of a foreign banking organization, due to concerns of extraterritoriality and differences in organizational structure and legal requirements in other jurisdictions. In the preamble to the BE proposal, the Board stated that it was considering applying that guidance to the boards of directors of U.S. intermediate holding companies, and sought comment on that proposed application.

[14] To facilitate a full understanding by the FBO of risks presented by the U.S. operations, the proposed guidance states that senior management should fully understand U.S.-based risks and communicate information on those risks to global management so that U.S.-based risks are included in the aggregate risk assessment.

group of individuals responsible for the prudent day-to-day management of the business line and who report directly to senior management.[15] Business line management is expected to execute business line activities consistent with the firm's strategy and risk tolerance, identify and manage risk within the business line, provide sufficient resources and infrastructure to the business line, ensure the business line has the appropriate system of internal control, and ensure accountability for operating within established policies and guidelines and in accordance with laws and regulations, including those related to consumer protection.

For a LISCC firm, due to its size, risk profile, and systemic importance of operations, the core principles of the management of business lines would apply to all of the firm's business lines. For an LFI that is not a LISCC firm, the core principles of the management of business lines would apply to any business line where a significant control disruption, failure, or loss event could result in a material loss of revenue, profit, or franchise value, or result in significant consumer harm.[16] The proposed guidance uses slightly different terminology than the proposed LFI rating system to describe the core principles of the management of business lines. The proposed LFI rating system referred to these principles as relating to the ''management of core business lines.'' For a LISCC firm, ''core'' business lines were defined to include all business lines, whereas for other LFIs, ''core'' business lines were defined to include any business line where a significant control disruption, failure, or loss event could result in a material loss of revenue, profit, or franchise value, or result in significant consumer harm. Although this proposal uses the term ''management of business lines,'' the principles would apply to the same business lines that were identified as ''core'' in the proposed LFI rating system. The revised terminology is intended to simplify the guidance.

The proposed guidance does not include specific expectations regarding organizational structure at firms and states that business line management may also serve as senior management. If business line management is not part of senior management, business line management is responsible for fully engaging senior management, so that senior management can effectively carry out their responsibilities.

For an FBO, the proposed guidance acknowledges that a business line in the United States may be part of a larger global business line and clarifies that the guidance applies only to that portion of the business conducted in the United States. The proposed guidance notes that business line management should ensure that business line risks are comprehensively captured, with consideration given to risks outside of the United States that may impact the FBO's U.S. operations.[17]

C. Core Principles of Independent Risk Management and Controls

The proposed guidance describes core principles of a firm's IRM and controls, which refers to a firm's independent risk management function, system of internal control, and internal audit function.[18] The proposal sets forth responsibilities of the CRO and CAE, the members of senior management responsible for IRM and internal audit, respectively. As described in the proposed guidance, both the CRO and CAE should have clear roles and responsibilities to establish and maintain an IRM and internal audit function, respectively, that are appropriate for the size, complexity, and risk profile of the firm.

The proposed guidance describes expectations for a firm's IRM, which include evaluating the firm's risk tolerance; establishing enterprise-wide risk limits and monitoring adherence to those limits; identifying, measuring, and aggregating risks; providing an independent assessment of the firm's risk profile; and providing risk reports to the board and senior management. The proposed guidance builds upon the framework set forth in Regulation YY, which requires a firm to have an independent risk management function.[19]

While IRM would be expected to evaluate the firm's risk tolerance, the proposed guidance would not set the expectation that IRM would have sole responsibility for the risk tolerance. Depending on a firm's organizational structure, it may be appropriate for business line management to provide input into the risk tolerance or drive its development. The proposed guidance would assign responsibility for enterprise-wide risk limits to IRM, but acknowledge that business line management may develop its own limits for internal business line use and may provide input to the risk limit-setting process defined by IRM. However, the internal limits of a business line should not be less stringent than the limits set by IRM because the IRM limits should be the operative, formal, and binding limits across the firm.

For internal controls, the proposed guidance expands upon the expectation for internal controls described in SR letter 12–17. As described in the proposed guidance, a firm should identify its system of internal control and demonstrate that that system is commensurate with the firm's size, scope of operations, activities, risk profile, strategy, and risk tolerance; demonstrate that it is consistent with all applicable laws and regulations; regularly evaluate and test the effectiveness of internal controls; and monitor the functioning of controls so that deficiencies are identified and communicated in a timely manner. The proposed guidance provides that developing and maintaining effective internal controls is the responsibility of several parties, including business line management.

The strength of a firm's internal audit practices are an important consideration in the Federal Reserve's supervisory assessment of the effectiveness of the firm's governance and controls. This proposed guidance would not expand upon the Federal Reserve's expectations

[15] The proposed guidance defines a business line as a defined unit or function of a financial institution, including associated operations and support that provides related products or services to meet the firm's business needs and those of its customers. This definition would include units such as Corporate Treasury and IT support. For an FBO, a business line would include all business lines that are present in the United States.

[16] Any business line of an LFI that is not a LISCC firm which does not meet this definition (and thus would not be subject to the core principles of the management of business lines included in Part II of the proposed guidance) would be expected to maintain appropriate risk management practices to ensure the firm's safety and soundness. In addition, the supervisory expectations concerning effective senior management oversight and IRM and controls described in Parts I and III of the proposed guidance, respectively, would apply across the entire firm. For example, supervisory expectations regarding senior management's responsibility for maintaining and implementing an effective risk management framework and ensuring that the firm appropriately manages risk consistent with the firm's strategy and risk tolerance extends to its management of the firm as a whole, and not be limited to the individual business lines covered by Part II of the proposed guidance.

[17] Conversely, to ensure that risks of the U.S. operations are appropriately communicated to global management, business line management would be expected to provide sufficient information to global management and escalate issues, as appropriate, to enable an understanding of U.S. risk.

[18] The proposed guidance defines the term ''internal controls'' as the policies, procedures, systems and processes designed to provide reasonable assurance regarding: The effectiveness and efficiency of operations; reliability of financial reporting (including risk reporting); compliance with laws and regulations (including those related to consumer protection); and safeguarding of assets and information.

[19] 12 CFR 252.33, 252.155. *See also* SR letter 12–17.

for internal audit; instead the proposed guidance references existing guidance.[20]

VII. Request for Comments

The Board invites comments on all aspects of the proposed guidance, including responses to the following questions:

(1) What considerations beyond those outlined in this proposal should be considered in the Federal Reserve's assessment of whether an LFI has sound governance and controls such that the firm has sufficient financial and operational strength and resilience to maintain safe and sound operations?

(2) How could the roles and responsibilities between the board of directors set forth in the proposed board effectiveness guidance, and between the senior management, business line management, and IRM be clarified?

(3) What, if any, aspects of the structure and coverage of IRM and controls should be addressed more specifically by the guidance?

(4) The proposal tailors expectations for FBOs, recognizing that the U.S. operations are part of a larger organization. How could this tailoring be improved?

(5) In what ways, if any, does the guidance diverge from industry practice? How could the guidance better reflect industry practice while facilitating effective risk management and controls? Are there any existing standards for internal control frameworks to which the guidance should follow more closely?

(6) Other supervisory communications have used the term ''risk appetite'' instead of risk tolerance. Are the terms ''risk appetite'' and ''risk tolerance'' used interchangeably within the industry, and what confusion, if any, is created by the terminology used in this guidance?

(7) The proposal would adopt different terminology than is used in the proposed LFI rating system, and the Board expects to align the terminology so the element in the governance and controls component would change from ''management of core business lines'' to ''management of business lines.'' Does this proposal clearly explain this expected change? Do commenters anticipate any impact from this change?

[20] The Federal Reserve issued guidance outlining the key components of an effective internal audit function in SR letter 03–5, ''Amended Interagency Guidance on the Internal Audit Function and its Outsourcing,'' and followed that with supplemental guidance in SR letter 13–1/CA letter 13–1, ''Supplemental Policy Statement on the Internal Audit Function and Its Outsourcing.''

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3521) (''PRA''), the Board may not conduct or sponsor, and a respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (''OMB'') control number. The Board reviewed the proposed supervisory guidance under the authority delegated to the Board by OMB.

The proposed supervisory guidance contains a collection of information subject to the PRA. Recordkeeping requirements are found in the proposed guidance. Among expectations for business line management, the proposed guidance states that business line management should establish specific business and risk objectives for business lines, and establish policies and guidelines that delineate accountability within the business line. In addition, the proposed guidance sets expectations for a firm's IRM function, including related to the scope of a firm's risk limits and an expectation for written risk assessment that would be provided to the senior management and, as appropriate, the board. The proposed guidance also sets expectations for internal audit, including an expectation for an internal audit risk assessment and audit reports.

Comments are invited on:

a. Whether the collections of information are necessary for the proper performance of the Board's functions, including whether the information has practical utility;

b. The accuracy or the estimate of the burden of the information collections, including the validity of the methodology and assumptions used;

c. Ways to enhance the quality, utility, and clarity of the information to be collected;

d. Ways to minimize the burden of the information collections on respondents, including through the use of automated collection techniques or other forms of information technology; and

e. Estimates of capital or startup costs and costs of operation, maintenance, and purchase of services to provide information.

All comments will become a matter of public record. Comments on aspects of this notice that may affect reporting, recordkeeping, or disclosure requirements and burden estimates should be sent to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets NW, Washington, DC 20551. A copy of the comments may also be submitted to the OMB desk officer by mail to U.S. Office of Management and Budget, 725 17th Street NW, #10235, Washington, DC 20503; facsimile to (202) 395–6974; or email to *oira_submission@omb.eop.gov,* Attention, Federal Banking Agency Desk Officer.

Proposed Information Collection

Report title: Governance and Controls Guidance.

Agency form number: FR 4204.

OMB control number: 7100–NEW.

Frequency: Annual.

Respondents: Domestic bank and savings and loan holding companies with total consolidated assets of $50 billion or more, systemically important nonbank financial companies designated by FSOC for supervision by the Board, the U.S. operations of FBOs with combined U.S. assets of $50 billion or more, and state member bank subsidiaries of the foregoing.

Legal authorization and confidentiality: This information collection is voluntary. The Board has determined that the collection of information is authorized by section 5(c) of the Bank Holding Company Act (12 U.S.C. 1844(c)), section 10(b) of the Homeowners' Loan Act (12 U.S.C. 1467a(b)(4), section 113 of the Dodd-Frank Act (12 U.S.C. 5323). The information contained would be considered confidential pursuant to exemption 8 of the Freedom of Information Act (5 U.S.C. 552(b)(8)).

Estimated number of respondents: 56.

Estimated average hours per response: 3,872 hours initial setup, 560 hours for ongoing.

Estimated annual burden hours: 216,832 hours initial setup, 31,360 hours for ongoing.

Regulatory Flexibility Analysis

The Federal Reserve is providing an initial regulatory flexibility analysis with respect to this proposal. While the proposed guidance is not being adopted as a rule, the Federal Reserve has considered the potential impact of the proposal on small banking organizations using considerations that would apply if the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.* (''RFA'') were applicable. Based on the Board's analysis and for the reasons stated below, the Board believes that the proposed guidance will not have a significant economic impact on a substantial number of small entities.

Under regulations issued by the Small Business Administration, a small entity includes a depository institution, bank holding company, or savings and loan holding company with assets of $550 million or less (''small banking

organizations''). As of June 1, 2017, there were approximately 3,539 small banking organizations. As described above, the proposed guidance would apply only to all bank holding companies with total consolidated assets of $50 billion or more; state member banks of such bank holding companies; all savings and loan holding companies with total consolidated assets of $50 billion or more; systemically important nonbank financial companies designated by FSOC for supervision by the Federal Reserve; and the U.S. operations of FBOs with combined U.S. assets of $50 billion or more. Small banking organizations would therefore not be subject to the proposed guidance. As a result, the proposed guidance should have any impact on small banking organizations. In light of the foregoing, the Board believes that the proposed guidance will not have a significant economic impact on small banking organizations supervised by the Board.

Text for the Proposed Supervisory Guidance on Management of Business Lines and Independent Risk Management and Controls for Large Financial Institutions

Introduction

Governance and controls involves (i) the oversight of a firm by its board of directors, (ii) management of business lines and independent risk management (IRM) and controls, and (iii) for domestic Large Institution Supervision Coordinating Committee (LISCC) firms only, recovery planning. This guidance sets forth the second part of the Federal Reserve's expectations for large financial institutions (LFIs or firms)—core principles of the management of business lines and IRM and controls. This guidance also builds upon supervisory guidance previously issued by the Federal Reserve.[21]

Guidance related to the first part of governance and controls, the oversight of a firm by its board of directors (BE Guidance), was released earlier.[22] It describes attributes of an effective board of directors and distinguishes a board's responsibilities from those of a firm's senior management.

Like the BE Guidance, the supervisory expectations described in this guidance regarding the management of business lines and IRM and controls would help inform the Federal Reserve's overall supervisory evaluation of a firm's governance and controls to support the firm's financial and operational strength and resilience. Among other factors, this evaluation would be an input to the governance and controls component rating under the proposed LFI rating system.[23]

I. Applicability

The guidance applies to domestic bank holding companies (BHCs) and domestic savings and loan holding companies with total consolidated assets of $50 billion or more, the combined U.S. operations of foreign banking organizations (FBOs) with combined U.S. assets of $50 billion or more, and any state member bank subsidiaries of the foregoing. The guidance also applies to systemically important nonbank financial companies designated by the Financial Stability Oversight Council (FSOC) for supervision by the Board.

Application to Foreign Banking Organizations

Regulation YY requires FBOs with combined U.S. assets of $50 billion or more to maintain a U.S. risk committee to oversee the risk management framework of the combined U.S. operations.[24] Regulation YY also requires FBOs with U.S. non-branch assets of $50 billion or more to establish an intermediate holding company (IHC), which is governed by a board of directors or managers with equivalent rights, powers, privileges, duties, and responsibilities to those of a board of directors of a domestic corporation.[25] The Federal Reserve's expectations for governance of the combined U.S. operations of an FBO are generally consistent with its expectations for governance of large domestic firms and, in this guidance, a reference to ''firm'' should be taken also as a reference to the combined U.S. operations of an FBO, unless the context requires otherwise. Given that an FBO's combined U.S. operations are part of a larger global organization, the Federal Reserve anticipates that certain elements of an FBO's governance framework may be located outside of the United States. In this event, these elements should enable effective governance and risk management by the U.S. senior management, the U.S. risk committee, and the IHC board (as applicable), and should facilitate U.S. supervisors' ability to assess the adequacy of governance and controls in the combined U.S. operations.

Core Principles of Effective Senior Management, Management of Business Lines, and Independent Risk Management (IRM) and Controls

This guidance sets forth core principles of effective senior management, the management of a firm's business lines[26] and IRM and controls.[27]

I. Core Principles of Effective Senior Management

Principle: Senior management is responsible for managing the day-to-day operations of the firm and ensuring safety and soundness and compliance with internal policies and procedures, laws, and regulations, including those related to consumer protection.

Under the board's oversight, a firm's senior management is responsible for managing the day-to-day operations of the firm, and for ensuring safety and soundness and compliance with internal policies and procedures, laws, and regulations, including those related to consumer protection.[28] Two key

[21] *See* SR letter 12–17/CA letter 12–14, ''Consolidated Supervision Framework for Large Financial Institutions.'' Other laws and regulations set forth requirements for corporate governance and risk management, including the risk and liquidity risk management requirements in Regulation YY (12 CFR part 252).

[22] *See* 82 FR 37219 (August 9, 2017) for the proposed Supervisory Guidance on Board of Directors' Effectiveness for Domestic Bank and Savings and Loan Holding Companies With Total Consolidated Assets of $50 Billion or More (Excluding Intermediate Holding Companies of Foreign Banking Organizations Established Pursuant to the Federal Reserve's Regulation YY), and Systemically Important Nonbank Financial Companies Designated by the Financial Stability Oversight Council for Supervision by the Federal Reserve.

[23] *See* 82 FR 39049 (August 17, 2017) for the proposed large financial institutions rating system (LFI rating system). For firms that would be subject to this guidance but not subject to the proposed LFI rating system, this guidance would help inform the Federal Reserve's evaluation of the firm's overall safety and soundness and the effectiveness of its risk management practices.

[24] 12 CFR 252.155(a).

[25] 12 CFR 252.153(a)(2)(ii).

[26] For a LISCC firm, due to its size, risk profile, and systemic importance, the guidance would apply to all of the firm's business lines. For an LFI that is not a LISCC firm, the expectations for management of business lines would apply only to business lines where a significant control disruption, failure, or loss event would result in a material loss of revenue, profit, or franchise value, or result in significant consumer harm. Other business lines of these firms which do not meet that definition would be expected to maintain appropriate risk management practices to ensure the firm's safety and soundness. The expectations included in this guidance relating to effective senior management oversight and IRM and controls would apply across the entire firm, and are not limited to the individual business lines that are subject to the expectations concerning the management of business lines.

[27] IRM and controls refers to a firm's independent risk management function, system of internal control, and internal audit function.

[28] The term ''senior management'' refers to the core group of individuals directly accountable to the board of directors for the sound and prudent day-to-day management of the firm. For an FBO,

responsibilities of senior management are overseeing the activities of the firm's business lines (individually and collectively) and the firm's IRM and controls.

Senior management is responsible for implementing the firm's strategy and risk tolerance approved by the board.[29] Senior management should implement the strategic and risk objectives across the firm to support the firm's long-term resiliency and safety and soundness, including the firm's ability to withstand the impact of a range of stressed conditions.[30] Senior management should ensure the firm's infrastructure, staffing, and resources are sufficient to carry out the firm's strategy and manage the firm's activities in a safe and sound manner, and in compliance with applicable laws and regulations, including those related to consumer protection, as well as policies, procedures, and limits. Senior management should also identify when there is a risk that the firm's activities collectively may deviate from the firm's strategy and risk tolerance and escalate such instances to the board of directors.

Senior management is responsible for maintaining and implementing an effective risk management framework and ensuring the firm appropriately manages risk consistent with its strategy and risk tolerance.[31] This includes establishing clear responsibilities and accountability for the identification, measurement, management, and control of risk. Senior management is responsible for promoting and enforcing prudent risk-taking behaviors and business practices, including through the firm's compensation and performance management programs. Senior management is responsible for developing and maintaining the firm's policies and procedures and system of internal control, commensurate with the firm's size, scope of operations, activities, and risk profile, to ensure compliance with laws and regulations, including those related to consumer protection, and consistency with supervisory expectations.[32] Senior management should also periodically assess the risk management framework as a whole to ensure that the framework remains comprehensive and appropriate and has kept pace with changes in the business line's products, services, and activities as well as changes in economic conditions and the broader market environment.

Senior management should ensure effective communication and information sharing across the entire firm. Senior management should also address any impediments to the effective flow of information, including those that could result in decisions being made or actions being taken in isolation.

In overseeing the firm's day-to-day operations, senior management should base its decisions and actions, as well as its communications with the board, on a full understanding of the firm's risks and activities. Therefore, senior management should have in place robust mechanisms for:

- Keeping apprised of drivers and trends related to current and emerging risks, material limit breaches, and other material issues;
- Maintaining and assessing the firm's system of internal control;
- Staying informed about material deficiencies and limitations in risk management and control practices, and ensuring that such deficiencies are remediated in a timely fashion;
- Assessing the potential impact of the firm's activities and risk positions on the firm's capital,[33] liquidity, and overall risk profile;
- Assessing the firm's financial and nonfinancial performance relative to the firm's strategy and risk objectives;
- Maintaining robust management information systems to support oversight of the firm's activities and risk positions, and to provide information to the board; and
- Maintaining current succession and contingency staffing plans for key positions.

Senior management is responsible for providing timely, useful, and accurate information to the board. Senior management should also be responsive to direction from the board and to the board's informational needs. Further, senior management is responsible for ensuring resolution of risk management issues (including those identified by the firm and outstanding supervisory matters), escalating issues to the board, and communicating issues internally when appropriate. Senior management should regularly report to the board on responses to, and remediation of, material audit and supervisory findings, risk management and control deficiencies, material compliance issues (including those related to consumer protection), and the outcomes of risk reviews which may result in remedial actions.

II. Core Principles of the Management of Business Lines

This section sets forth core principles of the management of business lines, including critical operations.[34] As used in this guidance, business line management refers to the core group of individuals responsible for prudent day-to-day management of a business line and accountable to senior management for that responsibility.[35]

For a LISCC firm, due to its size, risk profile, and systemic importance, these principles apply to all of the firm's business lines. For an LFI that is not a LISCC firm, these principles apply to

''senior management'' can refer to individuals located inside or outside the United States who are accountable to the IHC board, U.S. risk committee, or global board of directors with respect to the U.S. operations.

''Board'' or ''board of directors'' also refers to committees of the board of directors, as appropriate.

[29] *See* 82 FR 37219 (August 9, 2017). ''Risk tolerance'' is defined as the aggregate level and types of risk the board and senior management are willing to assume to achieve the firm's strategic business objectives, consistent with applicable capital, liquidity, and other requirements and constraints.

For an FBO, the U.S. risk committee should approve the risk tolerance for the combined U.S. operations (which may be developed separately for the IHC and branch operations, respectively). The strategy for the combined U.S. operations may mean the manner in which the U.S. operations support the global strategy.

[30] Risk objectives are the level and type of risks a business line plans to assume in its activities relative to the level and type specified in the firmwide risk tolerance. For example, a residential mortgage business unit should specify the level and type of credit risk, interest-rate risk, or other risks it plans to assume in its activities relative to the level and type specified in the risk tolerance.

[31] For FBOs, regardless of whether a firm's senior management resides in the United States, senior management should fully understand the risks of U.S operations and communicate information on the risks of combined U.S. operations to global management so that these risks are included in the aggregate risk assessment of the global organization. Further, senior management with authority over budgeting or strategy for the combined U.S. operations should allocate appropriate resources and expertise to meet the expectations of this guidance.

[32] The term ''internal controls'' refers to the policies, procedures, systems and processes designed to provide reasonable assurance regarding: The effectiveness and efficiency of operations; reliability of financial reporting (including risk reporting); compliance with laws and regulations (including those related to consumer protection); and safeguarding of assets and information.

[33] References to ''capital'' in this section are not applicable to branches or agencies of an FBO.

[34] A business line is a defined unit or function of a financial institution, including associated operations and support that provides related products or services to meet the firm's business needs and those of its customers. Under certain organizational structures, a business line may cross legal entities or geographic jurisdictions.

''Critical operations'' are those operations, including associated services, functions and support, the failure or discontinuance of which, in the view of the firm or the Federal Reserve, would pose a threat to the financial stability of the United States. All of the expectations for the management of business lines apply to critical operations.

[35] Depending on a firm's organizational structure, business line management may or may not be members of senior management. If management of a business line is not a member of senior management, business line management is responsible for fully engaging senior management, so that senior management can effectively carry out its responsibilities.

any business line in which a significant control disruption, failure, or loss event could result in a material loss of revenue, profit, or franchise value, or result in significant consumer harm.

A business line may cross legal entities or geographic jurisdictions. In instances where a business line of an FBO is part of a larger business conducted outside of the United States, expectations apply only to the portion of that business conducted in the United States.[36]

This section is organized as follows:

A. Implementation and Execution of Strategy and Risk Tolerance
B. Risk Identification and Risk Management
C. Resources and Infrastructure
D. Business Controls
E. Accountability

A. Implementation and Execution of Strategy and Risk Tolerance

Principle: Business line management should execute business line activities consistent with the firm's strategy and risk tolerance.

Business line management should establish specific business and risk objectives for each business line that align with the firmwide strategy and risk tolerance. Business line management should inform senior management when the business line's risk management capabilities are insufficient to achieve those business and risk objectives. In addition, during the strategic planning process with senior management, business line management should clearly present the risks emanating from the business line's activities. Business line management should explain how those risks are managed and align with the firm's risk tolerance.

Business line management should provide information to senior management regarding the business line's current and potential risk profile and its alignment with the firm's risk tolerance. Information reported should enable senior management to make critical decisions about the business line's strategic direction and risks.

B. Risk Identification and Risk Management

Principle: Business line management should identify, measure, and manage the risks associated with the business activities under a broad range of conditions, incorporating input from IRM.[37]

Business line management should identify, measure, and manage current and emerging risks that stem from the business line's activities and changes to external conditions.[38] Where it is difficult to assess risks quantitatively, business line management should still assess the impact of those risks, such as through qualitative means. These risks should include significant exposures and activities, both on-balance and off-balance sheet, and any other potential sources of risk related to the business line's activities. Business line management should incorporate appropriate feedback from IRM on business line risk positions, implementation of the risk tolerance, and risk management practices, including risk mitigation.

In measuring risks, business line management should consider the size and risk characteristics of the business line's exposures and business activities. Business line management should aggregate risks, including by business activities or products. For instance, management of a large commercial lending business line should understand risks affecting the business line as a whole, and also within segments of the business line, such as large corporate exposures, commercial real estate loans, and small business lending.

The activities of a business line should remain within risk limits established by IRM.[39] Business line management should consult with senior management before allowing any exceptions to risk limits.[40] This consultation should culminate in a well-supported decision by management to accept the risk or reduce its risk exposure. Business line management should subject any exceptions to risk limits to the firm's formal approval process. A business line may need to employ risk mitigation strategies to remain aligned with the firmwide strategy and risk tolerance.

A firm should have policies and procedures for vetting new business products and initiatives. Risks from new businesses should be identified and captured in risk management governance, infrastructure, compliance, and processes before commencing the new business. Business line management should escalate to senior management any required changes or modifications to risk management systems or internal control policies and procedures arising from the adoption of a new business or initiative. Additionally, growth in the new business should be consistent with the firm's risk management capabilities.

C. Resources and Infrastructure

Principle: Business line management should provide a business line with the resources and infrastructure sufficient to manage the business line's activities in a safe and sound manner, and in compliance with applicable laws and regulations, including those related to consumer protection, as well as policies, procedures, and limits.

Business line management should provide a business line with sufficient resources and infrastructure to meet strategic objectives while maintaining financial and operational strength and resilience over a range of operating conditions, including stressful ones.[41] Sufficient resources and infrastructure include personnel with appropriate training and expertise and management information systems. Business line management should inform senior management if the business line's resources and infrastructure are insufficient to meet its business objectives.

Business line management should ensure that the business line's

[36] Business line management of the U.S. operations should ensure that business line risks are captured comprehensively with consideration given to risks outside the United States that may impact the FBO's combined U.S. operations. Moreover, business line management should provide sufficient information to global management and escalate issues, as appropriate, to enable an understanding of the risks from the combined U.S. operations.

[37] As noted in the Independent Risk Management and Controls section below, IRM is responsible for conducting a separate, objective, critical assessment of risks and risk-taking across the entire firm, separate from the business line's risk management activities.

[38] Emerging risks include those that have yet to create a material impact or would only arise during stressful or unlikely circumstances. The risk assessment should include all relevant risks, both financial and non-financial, including compliance risk.

[39] Business line management may develop its own limits for internal business line use and may provide input to the risk limit-setting process defined by IRM. However, the internal limits of a business line should not be less stringent than the limits set by IRM because the limits set by IRM should be the operative, formal, and binding across the firm.

[40] Business line management should evaluate breaches of risk limits to determine whether a breach represents a weakness in the monitoring or limits framework for the business lines, and take appropriate remedial action.

[41] ''Financial strength and resilience'' is defined as maintaining effective capital and liquidity governance and planning processes, and sufficiency of related positions, to provide for continuity of the consolidated organization and its core business lines, critical operations, and banking offices through a range of conditions.

''Operational strength and resilience'' is defined as maintaining effective governance and controls to provide for continuity of the consolidated organization and its core business lines, critical operations, and banking offices, and promote compliance with laws and regulations, including those related to consumer protection, through a range of conditions.

infrastructure is sound and appropriate for the intended specific business activities and that management information systems are sufficiently flexible to produce ad hoc and more frequent reporting when necessary. Business line management should address any gaps or weaknesses identified in the existing infrastructure and escalate to senior management if appropriate.

Business line management should ensure that the business line has:

- Clearly defined staff roles and responsibilities for key positions, as well as management reporting lines;
- Appropriate separation of duties and internal controls for effectively managing risk associated with its business strategy;
- Staff with skills and experience commensurate with the business line's activities and risks; and
- Succession and contingency plans for key positions.

Business line management should provide training and development to its staff to ensure sufficient knowledge of business line activities; compliance, operations and risk management processes; controls; and business continuity. Business line management should reinforce balanced risk-taking and provide incentives for appropriate behaviors through talent management processes, compensation arrangements, and other performance management processes.

D. Business Controls

Principle: Business line management should ensure that the internal control system is effective for the business line operations.

Business line management should develop and maintain an effective system of internal control for its business line that helps to ensure compliance with laws and regulations, including those related to consumer protection, and supports effective risk management.[42] For example, a business line's system of internal control should include access controls, change controls, and data integrity controls, including data reconciliations, variance analysis, and data quality logic checks. The system of internal control for a business line should be commensurate with the business line's size, scope of operations, activities, and risk profile. A comprehensive system of internal control includes policies, procedures, systems, and processes specific to the business line.

Business line management should regularly test to ensure the controls within its business line are functioning as expected and are effective in managing risks. More frequent testing is appropriate for key controls, or controls that have undergone a material change. Business line management should ensure that deficiencies in control design and operating effectiveness are remediated. Business line management should provide periodic reports on the operation of controls to senior management and escalate to senior management material internal control deficiencies and any systematic control violations. Finally, business line management should reassess all key controls periodically to ensure relevancy and alignment with current approved policies.

E. Accountability

Principle: Business line management and staff are accountable for operating within established policies and guidelines, and acting in accordance with applicable laws, regulations, and supervisory guidance, including those related to consumer protection.

Business line management should establish policies and guidelines that specify accountability, set forth clear lines of management authority within the business line, and clearly align desired behavior with the firm's performance management incentives. Business line management should hold their staff accountable to the extent behavior that is inconsistent with the board and senior management directives and inform senior management as appropriate. Business line management should ensure that training for new and existing employees explicitly addresses and emphasizes the importance of professional conduct and compliance with laws and regulations, including those related to consumer protection.

Business line management should have ongoing and effective means to prevent, detect, and remediate risk management and compliance failures of business line policies and procedures, as well as policies and limits established by the firm's senior management. Business line management should develop processes with indicators and early warning mechanisms to facilitate timely detection of existent and potential issues. Business line management should actively supervise employees in light of the firm's policies and guidelines.

III. Core Principles of Independent Risk Management and Controls

There are three key areas covered in this section: (1) IRM, which provides an objective, critical assessment of risks and evaluates whether a firm remains aligned with its stated risk tolerance; (2) a system of internal control to guide practices, provide appropriate checks and balances, and confirm quality of operations; and (3) internal audit, which provides independent assessments of the effectiveness of the risk management framework and the system of internal control.

This section is organized as follows:

A. Governance, Independence, and Stature
  1. Chief Risk Officer (CRO)
  2. Chief Audit Executive (CAE)
B. Independent Risk Management
  1. Risk Tolerance and Limits
  2. Risk Identification, Measurement, and Assessment
  3. Risk Reporting
C. Internal Controls
D. Internal Audit

Except for the roles of the CRO and the CAE, this guidance does not purport to prescribe in detail the governance structure for a firm's IRM and controls. Senior management should establish and maintain clear lines of responsibility and accountability so that activities are conducted in a manner that satisfies supervisory expectations.

Supervisory expectations related to independent risk management apply to the U.S. CRO and the U.S. risk committee of an FBO for the combined U.S. operations in the same manner as these expectations apply to the CRO and risk committee of a domestic holding company. For an FBO, the internal audit function for the combined U.S. operations should have appropriate independent oversight of those.

A. Governance, Independence, and Stature[43]

1. Chief Risk Officer

Principle: The CRO should establish and maintain IRM that is appropriate for the size, complexity, and risk profile of the firm.

The Board's Regulation YY requires certain firms to have a CRO with sufficient capability and experience in identifying, assessing, and managing risk exposures of large, complex

[42] In developing and maintaining its system of internal control, a business line may use the internal controls that are in place across the firm.

[43] ''Stature'' refers to the ability and authority to influence decisions and effect change throughout the organization, procure resources necessary to carry out responsibilities, escalate issues as needed to senior management and the board, and observe or participate on relevant management committees.

financial institutions.[44] To promote the stature and independence of IRM, the CRO must report directly to the board's risk committee as well as to the CEO.[45] The CRO also must provide reports to the board's risk committee at least quarterly.[46]

As part of overseeing IRM, the CRO should guide IRM to establish and monitor compliance with enterprise-wide risk limits, identify and aggregate the firm's risks, assess the firm's risk positions relative to the parameters of the firm's risk tolerance, and provide relevant risk information to senior management and the board. The CRO should also oversee communication of the firm's risk limits to the board and relevant firm management and staff.

The CRO should inform the board if his or her stature, independence, or authority is not sufficient to provide objective and independent assessments of the firm's risks, risk management activities, and system of internal control.[47] Further, the CRO should be included in discussions with other senior management and the board related to key decisions such as strategic planning and capital and liquidity planning. The CRO should also provide input to the board on incentive compensation plan design and effectiveness.

The CRO should escalate issues to senior management and the board when activities or practices at the firmwide, risk-specific, and business-line level do not align with the firm's overall risk tolerance. For example, the CRO should report concerns to the board's risk committee if the firm does not have sufficient risk management capacity to enter into a proposed merger or new product line and promote the taking of appropriate actions, as warranted. The CRO should recommend constraints on risk-taking and enhancements to risk management practices to senior management and the board. The CRO or IRM should be involved in any proposal to waive or make exceptions to established risk limits, including on a temporary basis, should provide an assessment of any such proposal, and should escalate the proposal to the board of directors as appropriate. The necessary level of approval within IRM and escalation should be clearly articulated in policies and procedures and commensurate with the nature of the risk limit.

The CRO should support the independence of IRM from the business lines by establishing clearly defined roles and responsibilities, and reporting lines. The CRO should periodically assess whether IRM has appropriate staffing and systems; sufficient understanding of the risks and business activities being evaluated; and sufficient authority to identify and escalate material or persistent risk management and control deficiencies and to challenge senior management and business line management when warranted.

2. Chief Audit Executive

Principle: The CAE should have clear roles and responsibilities to establish and maintain an internal audit function that is appropriate for the size, complexity and risk profile of the firm.

A firm should have a CAE, appointed by the board, with sufficient capability, experience, independence and stature to manage the internal audit function's responsibilities appropriate to the size and complexity of the firm.[48] The CAE should effectively manage all aspects of internal audit work on an ongoing basis, including any internal audit work that is outsourced. The CAE should have the authority to oversee all internal audit activities and to hire internal audit staff with sufficient capability and stature. Under the direction of the CAE, the internal audit function performs independent assessments of the effectiveness of the firm's system of internal control and the risk management framework. The CAE should report findings, issues, and concerns to the board's audit committee and senior management.

B. Independent Risk Management [49]

1. Risk Tolerance and Limits

Principle: IRM should evaluate whether the firm's risk tolerance appropriately captures the firm's material risks and confirm that the risk tolerance is consistent with the capacity of the risk management framework.

IRM should provide input into and evaluate the firm's risk tolerance to ensure that it appropriately captures the firm's material risks and aligns with the firm's strategy and the corresponding business activities.[50] In addition, IRM should evaluate whether the risk tolerance:

- Addresses risks under normal and stressed conditions and considers changes in the risk environment;
- Includes risks associated with the firm's revenue generating activities, as well as other aspects of risks inherent to the business, such as compliance, information technology, and cybersecurity;
- Incorporates realistic risk and reward assumptions that, for example, do not overestimate expected returns from business activities or underestimate risks associated with business activities; and
- Guides the firm's risk-taking and risk mitigation activities.

IRM should determine whether the firm's risk profile is consistent with the firm's risk tolerance and assess whether the firm's risk management framework has the capacity to manage the risks outlined in the risk tolerance. Specifically, IRM should determine whether there are sufficient resources and infrastructure in the relevant areas of the firm to properly identify, manage, and report the risks associated with the business strategies outlined in the risk tolerance, including during stressful or unanticipated conditions.

Principle: IRM should establish enterprise-wide risk limits consistent with the firm's risk tolerance and monitor adherence to such limits.

Under direction of the CRO, IRM should establish enterprise-wide risk limits that are consistent with the firm's risk tolerance for the firm's full set of risks, including risks associated with revenue generating activities and those inherent to the business. Risk limits should be assigned to specific risk types, business lines, legal entities, jurisdictions, geographic areas, concentrations, products or activities,

[44] 12 CFR 252.33(b); 12 CFR 252.155(b). For an FBO, references to CRO and risk committee mean the U.S. CRO and U.S. risk committee required under 12 CFR 252.155.

[45] 12 CFR 252.33(b)(3)(ii). For an FBO, the U.S. CRO must report to the U.S. risk committee and the global CRO or equivalent management official(s) who is responsible for overseeing the implementation of and compliance with policies and procedures relating to risk management governance, practices, and risk controls of the FBO (unless the Federal Reserve approves an alternate reporting structure). 12 CFR 252.155(b)(3).

[46] 12 CFR 252.33(a)(3)(v). This requirement does not apply to the U.S. CRO of an FBO.

[47] Other officers of the firm may oversee portions of functions involved in risk management and control activities.

[48] *See* SR letter 13–1/CA letter 13–1, ''Supplemental Policy Statement on the Internal Audit Function and Its Outsourcing.''

[49] Independent risk management is comprised of a range of risk management functions. For example, firms should have an independent compliance risk management function that establishes a firmwide compliance risk management program and delineates responsibilities for managing compliance risk. *See* SR letter 08–08/CA letter 08–11, ''Compliance Risk Management Programs and Oversight at Large Banking Organizations with Complex Compliance.'' The structure and reporting lines for such an independent compliance risk management function may vary across firms.

[50] The development and ongoing update of a firm's risk tolerance is an iterative process, meaning that several parties provide input on a continual basis. IRM's input into and evaluation of the risk tolerance should fit into this overall process and may occur at several different stages.

commensurate with the firm's risk profile. For example, risk limits can cover single counterparty credit exposures, funding concentrations, country exposures, or subprime lending activities. Risk limits should be clear, relevant, and current. IRM should create lower-level risk limits, such as for an individual business line, based on the enterprise-wide risk limits.

Risk limits should be quantitative and qualitative. For instance, quantitative limits can be set relative to earnings, assets, liabilities, capital, liquidity, or other relevant benchmarks. IRM should set qualitative limits—such as an expert assessment to constrain business in a given country—as a proxy for risks or aspects of risks that are more difficult to quantify. Risk limits should include explicit thresholds that, if crossed, strictly prohibit the activity generating the risk.

To the extent possible, risk limits should:

- Consider the range of possible external conditions facing the firm over a period of time;
- Consider the aggregation and interaction of risks across the firm;
- Be consistent with the firm's financial resources, such as available capital and liquidity, as well as with non-financial aspects, such as managerial, technological, and operational resources; and
- Reinforce compliance with laws and regulations, including those related to consumer protection, and consistency with supervisory expectations.

IRM should monitor and update risk limits as appropriate, especially as the firm's risk tolerance is updated, the firm's risk profile changes, or external conditions change. IRM should also identify significant trends in risk levels to evaluate whether risk-taking and risk management practices are consistent with the firm's strategic objectives. IRM should escalate to senior management any material breaches of the firm's enterprise-wide risk limits and risk tolerance, as well as instances where IRM's conclusions differ from the conclusions of a business line.

2. Risk Identification, Measurement, and Assessment

Principle: IRM should identify and measure the firm's risks.

IRM's activities are conducted in addition to business line risk management activities described above and should provide an objective, critical perspective of a firm's risks. IRM should identify and measure current and emerging risks within and across business lines and risk types, as well as any other relevant perspectives, such as by legal entity or jurisdiction. Where it is difficult to assess risks quantitatively, IRM should still assess the impact of those risks, such as through qualitative means. IRM should conduct its risk identification and measurement work on an ongoing basis to reflect any changes in exposures, business activities, and the broader operating environment, including changes in law and supervisory expectations.

IRM should identify risk types, including credit, market, operational, liquidity, interest rate, legal, compliance and related risks (such as consumer protection and Bank Secrecy Act/anti-money laundering). IRM should establish minimum internal standards for all of its risk identification and measurement practices to ensure consistent quality across different risks. IRM's standards should include both quantitative and qualitative elements, with the latter especially important for risks or aspects of risks that are more difficult to quantify. The standards at a firm should be dynamic, inclusive, and comprehensive.

To conduct effective risk identification and measurement, IRM should have access to timely, reliable, and comprehensive information about all risk-related exposures and activities in the firm. This should include emerging or potential sources of risk. IRM should seek input across the firm in identifying risks. IRM may utilize information collected or used from business lines; however, IRM should not rely on business line information exclusively. IRM staff should also draw upon external information, such as peer data or market information, to supplement their assessments.

IRM should regularly measure identified risks under both normal and stressful operating conditions. In measuring risks, IRM should consider the size and risk characteristics of the firm's exposures and business activities. Within each risk type, IRM should rely on a range of metrics and use measures appropriate to different risk types.

Principle: IRM should aggregate risks and provide an independent assessment of the firm's risk profile.

IRM should aggregate risks across the entire firm and assess those risks relative to the firm's risk tolerance.[51] IRM should identify material or critical concentrations of risks and assess the likelihood and potential impact of those risks on the firm. Further, IRM should identify activities or exposures that have related risk factors and assess the combined impact of those risk factors on the firm. IRM should assess risk information along different meaningful dimensions at a more granular level than firmwide, such as by business line, geographic regions, obligors, counterparties, and products, to determine how those impact the firm's risk profile.

IRM should conduct risk assessments using information from risk identification, measurement, and aggregation to determine the impact of risks on the firm and to inform senior management and the board about the suitability of risk positions relative to risk limits and the risk tolerance. IRM should assess risks and risk drivers within and across business lines and risk types, as well as any other material perspectives, such as by legal entity or jurisdiction. Further, IRM should analyze any assumptions related to risk diversification. IRM also should assess risk mitigation strategies, including the effectiveness of such mitigation in a range of circumstances, and recommend alternatives if concerns arise.

IRM should identify information gaps, uncertainties, and limitations in risk assessments for senior management, and as appropriate, for the board. For instance, in analyzing a new product area or business line, IRM should acknowledge areas of insufficient information that limit a complete assessment of the risks and provide a measured implementation plan to obtain the necessary information.

3. Risk Reporting

Principle: IRM should provide the board and senior management with risk reports that accurately and concisely convey relevant, material risk data and assessments in a timely manner.

Risk reporting should be comprehensive, useful, accurate, and timely. Risk reporting should cover current and emerging risk and adherence to risk limits and risk concentrations as well as the firm's ongoing strategic, capital, and liquidity planning processes. Risk reporting should enable prompt escalation and remediation of material problems; enhance appropriate and timely responses to identified problems; provide current and forward-looking perspectives; and support or influence strategic decision-making. Risk reporting should provide information on aggregate risks within and across business lines and risk types, as well as by legal entity or jurisdiction and significant concentrations.

Risk reporting should be tailored to meet the differing information needs of

[51] For example, IRM should be able to aggregate all retail credit risk across the firm's different consumer business lines (such as credit cards, residential mortgages, and auto lending).

the board, senior management, and others within the firm. The frequency of reporting should depend on needs of the firm and the materiality of the issues. Risk reporting should adapt to market downturns or stress events.

C. Internal Controls

Principle: A firm should identify its system of internal control and demonstrate that it is commensurate with the firm's size, scope of operations, activities, risk profile, strategy, and risk tolerance, and consistent with all applicable laws and regulations, including those related to consumer protection.

Internal controls cover a wide range of activities and processes, and could include the following: [52]

- Policies and procedures that set expectations for and govern the firm's business activities and support functions; establish appropriate levels of authority, responsibility, and accountability for overseeing and executing the firm's activities; and establish standards for prudent risk-taking behaviors.
- Clear assignment of roles and responsibilities and appropriate separation of duties.
- Physical controls for restricting access to tangible assets.
- Approvals and appropriate dual authorizations for key decisions, transactions, and execution of processes.
- Verifications of transaction details and periodic reconciliations, such as those comparing cash flows to account records and statements.
- Access controls, change management controls, data entry and related controls.
- Escalation procedures with a system of checks and balances in situations that allow for managerial or employee discretion.

Internal controls instill confidence in financial reporting and are important to ensure the integrity of the process and information relied upon by the firm to manage itself. Developing and maintaining an effective system of internal control is the responsibility of several parties, including business line management.[53] Accordingly, a firm should assign management responsibilities for the establishment and maintenance of internal controls. To foster an appropriate control culture within the firm, adequate control activities should be integrated into the daily functions of all relevant personnel. All personnel should fully understand and adhere to policies and procedures affecting their duties and responsibilities.

Principle: A firm should regularly evaluate and test the effectiveness of internal controls, and monitor functioning of controls so that deficiencies are identified and communicated in a timely manner.

A firm should have mechanisms to test its system of internal control and to identify and escalate issues that appear to compromise its effectiveness. A firm should regularly evaluate and test the quality, reliability and effectiveness of internal controls, and monitor any potential deterioration. Generally, testing activities are conducted at specific points in time, whereas monitoring activities are continuous processes. The scope, frequency, and depth of testing should consider the complexity of the firm, the results of the firm's risk assessments, and the number and significance of the deficiencies identified during prior testing. A firm should test and monitor internal controls using a risk-based approach, prioritizing efforts on controls in areas of highest risk and less effective controls.

A firm should evaluate and communicate internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management. Firms should establish management information systems that track internal control weaknesses and escalate serious matters to the board, senior management, and responsible business line management, as appropriate.

D. Internal Audit

Principle: The internal audit function should examine, evaluate, and perform independent assessments of the firm's risk management and internal control systems and report findings to senior management and the firm's audit committee.

An effective internal audit function provides independent assurance to the board and senior management concerning the effectiveness of risk management and internal control systems. The Federal Reserve issued guidance outlining the key components of an effective internal audit function in SR letter 03–5, and followed that with supplemental guidance in SR letter 13–1/CA letter 13–1, ''Supplemental Policy Statement on the Internal Audit Function and Its Outsourcing.'' The supplemental guidance builds upon the 2003 interagency guidance of SR letter 03–5 and further addresses the characteristics, governance, and operational effectiveness of a firm's internal audit function. That existing audit guidance remains in place and is not superseded by this guidance.

By order of the Board of Governors of the Federal Reserve System, January 5, 2018.

Ann E. Misback,

Secretary of the Board.

[FR Doc. 2018–00294 Filed 1–10–18; 8:45 am]

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[52] *See* SR letter 03–5, ''Amended Interagency Guidance on the Internal Audit Function and its Outsourcing.''

[53] As described below, the internal audit function should examine, evaluate, and perform an independent assessment of the firm's internal control system.

FEDERAL RESERVE SYSTEM

Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The applications will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act (12 U.S.C. 1843). Unless otherwise noted, nonbanking activities will be conducted throughout the United States.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than February 6, 2018.

A. *Federal Reserve Bank of Chicago* (Colette A. Fried, Assistant Vice President) 230 South LaSalle Street, Chicago, Illinois 60690–1414:

1. *Emmetsburg Bank Shares Inc., Emmetsburg, Iowa;* to acquire 100 percent of the outstanding shares of Panora State Bank, Panora, Iowa.

Board of Governors of the Federal Reserve System, January 8, 2018.

Ann E. Misback,

Secretary of the Board.

[FR Doc. 2018–00341 Filed 1–10–18; 8:45 am]

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2011–N–0275]

Agency Information Collection Activities; Submission for Office of Management and Budget Review; Comment Request; Certification To Accompany Drug, Biological Product, and Device Applications or Submissions

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA) is announcing that a proposed collection of information has been submitted to the Office of Management and Budget (OMB) for review and clearance under the Paperwork Reduction Act of 1995.

DATES: Fax written comments on the collection of information by February 12, 2018.

ADDRESSES: To ensure that comments on the information collection are received, OMB recommends that written comments be faxed to the Office of Information and Regulatory Affairs, OMB, Attn: FDA Desk Officer, Fax: 202–395–7285, or emailed to *oira_submission@omb.eop.gov.* All comments should be identified with the OMB control number 0910–0616. Also include the FDA docket number found in brackets in the heading of this document.

FOR FURTHER INFORMATION CONTACT: Amber Sanford, Office of Operations, Food and Drug Administration, Three White Flint North, 10A–12M, 11601 Landsdown St., North Bethesda, MD 20852, 301–796–8867, *PRAStaff@fda.hhs.gov.*

SUPPLEMENTARY INFORMATION: In compliance with 44 U.S.C. 3507, FDA has submitted the following proposed collection of information to OMB for review and clearance.

Certification To Accompany Drug, Biological Product, and Device Applications or Submissions (Form FDA 3674)

OMB Control Number 0910–0616—Extension

The information required under section 402(j)(5)(B) of the Public Health Service Act (PHS Act) (42 U.S.C. 282(j)(5)(B)) is submitted in the form of a certification, Form FDA 3674, which accompanies applications and submissions currently submitted to FDA and already approved by OMB. The OMB control numbers and expiration dates for those applications and submissions are: 21 CFR parts 312 and 314 (human drugs), OMB control number 0910–0014, expiring February 28, 2019, and OMB control number 0910–0001, expiring December 31, 2017; 21 CFR parts 312 and 601 (biological products), OMB control number 0910–0014, expiring February 28, 2019, and OMB control number 0910–0338, expiring March 31, 2020; and 21 CFR parts 807 and 814 (devices), OMB control number 0910–0120, expiring June 30, 2020, and OMB control number 0910–0231, expiring March 31, 2020.

Title VIII of the Food and Drug Administration Amendments Act of 2007 (Pub. L. 110–85) amended the PHS Act by adding section 402(j). The provisions broadened the scope of clinical trials subject to submitting information and required additional information to be submitted to the clinical trials databank (*https://clinicaltrials.gov*) (FDA has verified the website address, but FDA is not responsible for any subsequent changes to the website after this document publishes in the **Federal Register**) previously established by the National Institutes of Health (NIH)/National Library of Medicine. This includes expanded information on applicable clinical trials and summary information on the results of certain clinical trials. The provisions include responsibilities for FDA as well as several amendments to the Federal Food, Drug, and Cosmetic Act (FD&C Act).

One provision, section 402(j)(5)(B) of the PHS Act, requires that a certification accompany human drug, biological, and device product submissions made to FDA. Specifically, at the time of submission of an application under sections 505, 515, or 520(m) of the FD&C Act (21 U.S.C. 355, 360e, or 360j(m)), or under section 351 of the PHS Act (42 U.S.C. 262), or submission of a report under section 510(k) of the FD&C Act (21 U.S.C. 360(k)), such application or submission must be accompanied by a certification, Form FDA 3674, that all applicable requirements of section 402(j) of the PHS Act have been met. Where available, such certification must include the appropriate National Clinical Trial (NCT) numbers that are assigned upon submission of required information to the NIH databank at *https://clinicaltrials.gov.*

The proposed extension of the collection of information is necessary to satisfy the previously mentioned statutory requirement. The importance of obtaining these data relates to adherence to the legal requirements for submissions to the clinical trials registry and results databank, and ensuring that individuals and organizations submitting applications or reports to FDA under the listed provisions of the FD&C Act or the PHS Act adhere to the appropriate legal and regulatory requirements for certifying to having complied with those requirements. The failure to submit the certification required by section 402(j)(5)(B) of the PHS Act, and the knowing submission of a false certification, are both prohibited acts under section 301 of the FD&C Act (21 U.S.C. 331). Violations are subject to civil money penalties. The Form FDA 3674 provides a convenient mechanism for sponsors/applicants/submitters to satisfy the certification requirements of the statutory provision.

To assist sponsors/applicants/submitters in understanding the statutory requirements associated with Form FDA 3674, we have provided a guidance available at: *https://www.fda.gov/RegulatoryInformation/Guidances/ucm125335.htm.* This guidance recommends the applications and submissions FDA considers should be accompanied by the certification form, Form FDA 3674. The applications and submissions identified in the guidance are reflected in the burden analysis. In 2017, we updated the guidance to include references to the NIH Final Rule implementing 402(j) of the PHS Act (42 U.S.C. 282(j)). The final rule, published on September 21, 2016 (81 FR 64982) (42 CFR part 11), clarifies the requirements for submission of clinical trial information to *https://clinicaltrials.gov.*

Investigational New Drug Applications. FDA's Center for Drug Evaluation and Research (CDER) received 1,669 investigational new drug applications (INDs) and 15,285 clinical protocol IND amendments in calendar year (CY) 2016. CDER anticipates that IND and clinical protocol amendment submission rates will remain at or near this level in the near future.

FDA's Center for Biologics Evaluation and Research (CBER) received 381 new

INDs and 456 clinical protocol IND amendments in CY 2016. CBER anticipates that IND and clinical protocol amendment submission rates will remain at or near this level in the near future. The estimated total number of submissions (new INDs and new protocol submissions) subject to mandatory certification requirements under section 402(j)(5)(B) of the PHS Act is 16,954 for CDER plus 837 for CBER, or 17,791 submissions per year. The minutes per response is the estimated number of minutes that a respondent would spend preparing the information to be submitted to FDA under section 402(j)(5)(B) of the PHS Act, including the time it takes to enter the necessary information on the form.

Based on its experience with current submissions, FDA estimates that approximately 15 minutes on average would be needed per response for certifications that accompany IND applications and clinical protocol amendment submissions. It is assumed that most submissions to investigational applications will reference only a few protocols for which the sponsor/applicant/submitter has obtained an NCT number from *https://clinicaltrials.gov* prior to making the submission to FDA. It is also assumed that the sponsor/applicant/submitter has electronic capabilities allowing them to retrieve the information necessary to complete the form in an efficient manner.

Marketing Applications/Submissions. In CY 2016, CDER and CBER received 252 new drug applications (NDA)/biologics license applications (BLA)/resubmissions and 1,067 NDA/BLA amendments for which certifications are needed. CDER and CBER received 253 efficacy supplements/resubmissions to previously approved NDAs/BLAs in CY 2016. CDER and CBER anticipate that new drug/biologic applications/resubmissions and efficacy supplement submission rates will remain at or near this level in the near future.

FDA's Center for Devices and Radiological Health (CDRH) received a total of 330 new applications for premarket approvals (PMA), 510(k) submissions containing clinical information, PMA supplements, applications for humanitarian device exemptions (HDE) and amendments in CY 2016. CDRH anticipates that application, amendment, supplement, and annual report submission rates will remain at or near this level in the near future.

FDA's Office of Generic Drugs (OGD) received 1,036 abbreviated new drug applications (ANDAs) in 2016. OGD received 698 bioequivalence amendments/supplements in 2016. OGD anticipates that application, amendment, and supplement submission rates will remain at or near this level in the near future.

Based on its experience reviewing NDAs, BLAs, PMAs, HDEs, 510(k)s, and ANDAs and experience with current submissions of Form FDA 3674, FDA estimates that approximately 45 minutes on average would be needed per response for certifications that accompany NDA, BLA, PMA, HDE, 510(k), and ANDA marketing applications and submissions. It is assumed that the sponsor/applicant/submitter has electronic capabilities allowing them to retrieve the information necessary to complete the form in an efficient manner.

In the **Federal Register** of September 22, 2017 (82 FR 44417), FDA published a 60-day notice requesting public comment on the proposed collection of information. No comments were received.

FDA estimates the burden of this collection of information as follows:

TABLE 1—ESTIMATED ANNUAL REPORTING BURDEN [1]

FDA Center/Activity	Number of respondents (investigational applications)	Number of respondents (marketing applications)	Number of responses per respondent	Total annual responses	Average burden per response	Total hours
CDER						
New Applications (IND)	1,669		1	1,669	0.25 (15 minutes)	417
Clinical Protocol Amendments (IND).	15,285		1	15,285	0.25 (15 minutes)	3,821
New Marketing Applications/ Resubmissions (NDA/BLA).		198	1	198	0.75 (45 minutes)	149
Clinical Amendments to Marketing Applications.		1,067	1	1,067	0.75 (45 minutes)	800
Efficacy Supplements/ Resubmissions.		219	1	219	0.75 (45 minutes)	164
CBER						
New Applications (IND)	381		1	381	0.25 (15 minutes)	95
Clinical Protocol Amendments (IND).	456		1	456	0.25 (15 minutes)	114
New Marketing Applications/ Resubmissions (NDA/BLA).		54	1	54	0.75 (45 minutes)	41
Clinical Amendments to Marketing Applications.		0	1	0	0.75 (45 minutes)	0
Efficacy Supplements/ Resubmissions (BLA only).		34	1	34	0.75 (45 minutes)	26
CDRH						
New Marketing Applications (includes PMAs, HDEs, Supplements and 510(k)s expected to contain clinical data).		330	1	330	0.75 (45 minutes)	247

TABLE 1—ESTIMATED ANNUAL REPORTING BURDEN [1]—Continued

FDA Center/Activity	Number of respondents (investigational applications)	Number of respondents (marketing applications)	Number of responses per respondent	Total annual responses	Average burden per response	Total hours
OGD						
Original Applications		1,036	1		0.75 (45 minutes)	777
Bioequivalence Supplements/Amendments.		698	1		0.75 (45 minutes)	524
Total						7,175

[1]There are no capital costs or operating and maintenance costs associated with this collection of information.

Dated: January 8, 2018.

Leslie Kux,

Associate Commissioner for Policy.

[FR Doc. 2018–00354 Filed 1–10–18; 8:45 am]

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket Nos. FDA–2016–E–3310 and FDA–2016–E–3341]

Determination of Regulatory Review Period for Purposes of Patent Extension; ENTYCE

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA or the Agency) has determined the regulatory review period for ENTYCE and is publishing this notice of that determination as required by law. FDA has made the determination because of the submission of applications to the Director of the U.S. Patent and Trademark Office (USPTO), Department of Commerce, for the extension of a patent which claims that animal drug product.

DATES: Anyone with knowledge that any of the dates as published (see the **SUPPLEMENTARY INFORMATION** section) are incorrect may submit either electronic or written comments and ask for a redetermination by March 12, 2018. Furthermore, any interested person may petition FDA for a determination regarding whether the applicant for extension acted with due diligence during the regulatory review period by July 10, 2018. See ''Petitions'' in the **SUPPLEMENTARY INFORMATION** section for more information.

ADDRESSES: You may submit comments as follows. Please note that late, untimely filed comments will not be considered. Electronic comments must be submitted on or before March 12, 2018. The *https://www.regulations.gov* electronic filing system will accept comments until midnight Eastern Time at the end of March 12, 2018. Comments received by mail/hand delivery/courier (for written/paper submissions) will be considered timely if they are postmarked or the delivery service acceptance receipt is on or before that date.

Electronic Submissions

Submit electronic comments in the following way:

- *Federal eRulemaking Portal: https://www.regulations.gov.* Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to *https://www.regulations.gov* will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else's Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on *https://www.regulations.gov.*
- If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see ''Written/Paper Submissions'' and ''Instructions'').

Written/Paper Submissions

Submit written/paper submissions as follows:

- *Mail/Hand Delivery/Courier (for written/paper submissions):* Dockets Management Staff (HFA–305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.
- For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in ''Instructions.''

Instructions: All submissions received must include the Docket Nos. FDA–2016–E–3310 and FDA–2016–E–3341 for ''Determination of Regulatory Review Period for Purposes of Patent Extension; ENTYCE.'' Received comments, those filed in a timely manner (see **ADDRESSES**), will be placed in the docket and, except for those submitted as ''Confidential Submissions,'' publicly viewable at *https://www.regulations.gov* or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday.

- Confidential Submissions—To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states ''THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION.'' The Agency will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on *https://www.regulations.gov.* Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as ''confidential.'' Any information marked as ''confidential'' will not be disclosed except in accordance with § 10.20 (21 CFR 10.20) and other applicable disclosure law. For more information

about FDA's posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: *https://www.gpo.gov/fdsys/pkg/FR-2015-09-18/pdf/2015-23389.pdf*.

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to *https://www.regulations.gov* and insert the docket number, found in brackets in the heading of this document, into the ''Search'' box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

FOR FURTHER INFORMATION CONTACT: Beverly Friedman, Office of Regulatory Policy, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 51, Rm. 6250, Silver Spring, MD 20993, 301–796–3600.

SUPPLEMENTARY INFORMATION:

I. Background

The Drug Price Competition and Patent Term Restoration Act of 1984 (Pub. L. 98–417) and the Generic Animal Drug and Patent Term Restoration Act (Pub. L. 100–670) generally provide that a patent may be extended for a period of up to 5 years so long as the patented item (human drug product, animal drug product, medical device, food additive, or color additive) was subject to regulatory review by FDA before the item was marketed. Under these acts, a product's regulatory review period forms the basis for determining the amount of extension an applicant may receive.

A regulatory review period consists of two periods of time: A testing phase and an approval phase. For animal drug products, the testing phase begins on the earlier date when either a major environmental effects test was initiated for the drug or when an exemption under section 512(j) of the Federal Food, Drug, and Cosmetic Act (FD&C Act) (21 U.S.C. 360b(j)) became effective and runs until the approval phase begins. The approval phase starts with the initial submission of an application to market the animal drug product and continues until FDA grants permission to market the drug product. Although only a portion of a regulatory review period may count toward the actual amount of extension that the Director of USPTO may award (for example, half the testing phase must be subtracted as well as any time that may have occurred before the patent was issued), FDA's determination of the length of a regulatory review period for an animal drug product will include all of the testing phase and approval phase as specified in 35 U.S.C. 156(g)(4)(B).

FDA has approved for marketing the animal drug product ENTYCE (capromorelin). ENTYCE is indicated for appetite stimulation in dogs. Subsequent to this approval, the USPTO received patent term restoration applications for ENTYCE (U.S. Patent Nos. 6,107,306 and 6,673,929) from RaQualia Pharma Inc., and the USPTO requested FDA's assistance in determining the patents' eligibility for patent term restoration. In a letter dated December 1, 2016, FDA advised the USPTO that this animal drug product had undergone a regulatory review period and that the approval of ENTYCE represented the first permitted commercial marketing or use of the product. Thereafter, the USPTO requested that FDA determine the product's regulatory review period.

II. Determination of Regulatory Review Period

FDA has determined that the applicable regulatory review period for ENTYCE is 1,645 days. Of this time, 1,589 days occurred during the testing phase of the regulatory review period, while 56 days occurred during the approval phase. These periods of time were derived from the following dates:

1. *The date an exemption under section 505(i) of the FD&C Act (21 U.S.C. 355(i)) became effective:* November 16, 2011. The applicant claims December 5, 2002, as the date the investigational new animal drug application (INAD) became effective. However, FDA records indicate that the INAD effective date was November 16, 2011, which was the date a major health or environmental effects test is begun or the date on which the Agency acknowledges the filing of a notice of claimed investigational exemption for a new animal drug, whichever is earlier.

2. *The date the application was initially submitted with respect to the animal drug product under section 512 of the FD&C Act (21 U.S.C. 360b):* March 22, 2016. The applicant claims March 21, 2016, as the date the new animal drug application (NADA) for ENTYCE (NADA 141–457) was initially submitted. However, FDA records indicate that NADA 141–457 was submitted on March 22, 2016.

3. *The date the application was approved:* May 16, 2016. FDA has verified the applicant's claim that NADA 141–457 was approved on May 16, 2016.

This determination of the regulatory review period establishes the maximum potential length of a patent extension. However, the USPTO applies several statutory limitations in its calculations of the actual period for patent extension. In its applications for patent extension, this applicant seeks 1,826 and 1,827 days of patent term extension.

III. Petitions

Anyone with knowledge that any of the dates as published are incorrect may submit either electronic or written comments and, under 21 CFR 60.24, ask for a redetermination (see **DATES**). Furthermore, as specified in § 60.30 (21 CFR 60.30), any interested person may petition FDA for a determination regarding whether the applicant for extension acted with due diligence during the regulatory review period. To meet its burden, the petition must comply with all the requirements of § 60.30, including but not limited to: Must be timely (see **DATES**), must be filed in accordance with § 10.20, must contain sufficient facts to merit an FDA investigation, and must certify that a true and complete copy of the petition has been served upon the patent applicant. (See H. Rept. 857, part 1, 98th Cong., 2d sess., pp. 41–42, 1984.) Petitions should be in the format specified in 21 CFR 10.30.

Submit petitions electronically to *https://www.regulations.gov* at Docket No. FDA–2013–S–0610. Submit written petitions (two copies are required) to the Dockets Management Staff (HFA–305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

Dated: January 4, 2018.

Leslie Kux,

Associate Commissioner for Policy.

[FR Doc. 2018–00358 Filed 1–10–18; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket Nos. FDA–2015–E–2657, FDA–2015–E–2658, FDA–2015–E–2659, and FDA–2015–E–2891]

Determination of Regulatory Review Period for Purposes of Patent Extension; EPANOVA

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA or the Agency) has determined the regulatory review period for EPANOVA and is publishing this notice of that determination as required by law. FDA has made the determination because of the

submission of applications to the Director of the U.S. Patent and Trademark Office (USPTO), Department of Commerce, for the extension of a patent which claims that human drug product.

DATES: Anyone with knowledge that any of the dates as published (in the **SUPPLEMENTARY INFORMATION** section) are incorrect may submit either electronic or written comments and ask for a redetermination by March 12, 2018. Furthermore, any interested person may petition FDA for a determination regarding whether the applicant for extension acted with due diligence during the regulatory review period by July 10, 2018. See ''Petitions'' in the **SUPPLEMENTARY INFORMATION** section for more information.

ADDRESSES: You may submit comments as follows. Please note that late, untimely filed comments will not be considered. Electronic comments must be submitted on or before March 12, 2018. The *https://www.regulations.gov* electronic filing system will accept comments until midnight Eastern Time at the end of March 12, 2018. Comments received by mail/hand delivery/courier (for written/paper submissions) will be considered timely if they are postmarked or the delivery service acceptance receipt is on or before that date.

Electronic Submissions

Submit electronic comments in the following way:

• *Federal eRulemaking Portal: https://www.regulations.gov.* Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to *https://www.regulations.gov* will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else's Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on *https://www.regulations.gov.*

• If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see ''Written/Paper Submissions'' and ''Instructions'').

Written/Paper Submissions

Submit written/paper submissions as follows:

• *Mail/Hand delivery/Courier (for written/paper submissions):* Dockets Management Staff (HFA–305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

• For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in ''Instructions.''

Instructions: All submissions received must include the Docket Nos. FDA–2015–E–2891, FDA–2015–E–2657, FDA–2015–E–2658, FDA–2015–E–2659, and FDA–2015–E–2658 ''For Determination of Regulatory Review Period for Purposes of Patent Extension; EPANOVA.'' Received comments, those filed in a timely manner (see **ADDRESSES**), will be placed in the dockets and, except for those submitted as ''Confidential Submissions,'' publicly viewable at *https://www.regulations.gov* or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday.

• Confidential Submissions—To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states ''THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION.'' The Agency will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on *https://www.regulations.gov.* Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as ''confidential.'' Any information marked as ''confidential'' will not be disclosed except in accordance with § 10.20 (21 CFR 10.20) and other applicable disclosure law. For more information about FDA's posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: *https://www.gpo.gov/fdsys/pkg/FR-2015-09-18/pdf/2015-23389.pdf.*

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to *https://www.regulations.gov* and insert the docket number, found in brackets in the heading of this document, into the ''Search'' box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

FOR FURTHER INFORMATION CONTACT: Beverly Friedman, Office of Regulatory Policy, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 51, Rm. 6250, Silver Spring, MD 20993, 301–796–3600.

SUPPLEMENTARY INFORMATION:

I. Background

The Drug Price Competition and Patent Term Restoration Act of 1984 (Pub. L. 98–417) and the Generic Animal Drug and Patent Term Restoration Act (Pub. L. 100–670) generally provide that a patent may be extended for a period of up to 5 years so long as the patented item (human drug product, animal drug product, medical device, food additive, or color additive) was subject to regulatory review by FDA before the item was marketed. Under these acts, a product's regulatory review period forms the basis for determining the amount of extension an applicant may receive.

A regulatory review period consists of two periods of time: a testing phase and an approval phase. For human drug products, the testing phase begins when the exemption to permit the clinical investigations of the drug becomes effective and runs until the approval phase begins. The approval phase starts with the initial submission of an application to market the human drug product and continues until FDA grants permission to market the drug product. Although only a portion of a regulatory review period may count toward the actual amount of extension that the Director of USPTO may award (for example, half the testing phase must be subtracted as well as any time that may have occurred before the patent was issued), FDA's determination of the length of a regulatory review period for a human drug product will include all of the testing phase and approval phase as specified in 35 U.S.C. 156(g)(1)(B).

FDA has approved for marketing the human drug product EPANOVA (omega-3-carboxylic acids). EPANOVA is indicated as an adjunct to diet to reduce triglyceride levels in adult patients with severe (≥500 mg/dL) hypertriglyceridemia. Subsequent to this approval, the USPTO received

patent term restoration applications for EPANOVA (U.S. Patent Nos. 5,948,818; 7,960,370; 7,792,795; and 8,383,678) from AstraZeneca Pharmaceuticals LP, and the USPTO requested FDA's assistance in determining the patents' eligibility for patent term restoration. In a letter dated December 1, 2016, FDA advised the USPTO that this human drug product had undergone a regulatory review period and that the approval of EPANOVA represented the first permitted commercial marketing or use of the product. Thereafter, the USPTO requested that FDA determine the product's regulatory review period.

II. Determination of Regulatory Review Period

FDA has determined that the applicable regulatory review period for EPANOVA is 4,269 days. Of this time, 3,964 days occurred during the testing phase of the regulatory review period, while 305 days occurred during the approval phase. These periods of time were derived from the following dates:

1. *The date an exemption under section 505(i) of the Federal Food, Drug, and Cosmetic Act (FD&C Act) (21 U.S.C. 355(i)) became effective:* August 29, 2002. FDA has verified the applicant's claim that the date the investigational new drug application became effective was on August 29, 2002.

2. *The date the application was initially submitted with respect to the human drug product under section 505(b) of the FD&C Act:* July 5, 2013. The applicant claims July 3, 2013, as the date the NDA for EPANOVA was initially submitted. However, FDA records indicate that NDA 205060 was submitted on July 5, 2013, which is considered to be the NDA initially submitted date.

3. *The date the application was approved:* May 5, 2014. FDA has verified the applicant's claim that NDA 205060 was approved on May 5, 2014.

This determination of the regulatory review period establishes the maximum potential length of a patent extension. However, the USPTO applies several statutory limitations in its calculations of the actual period for patent extension. In its applications for patent extension, this applicant seeks 682 days, 371 days, and 5 years of patent term extension.

III. Petitions

Anyone with knowledge that any of the dates as published are incorrect may submit either electronic or written comments and, under 21 CFR 60.24, ask for a redetermination (see **DATES**). Furthermore, as specified in § 60.30 (21 CFR 60.30), any interested person may petition FDA for a determination regarding whether the applicant for extension acted with due diligence during the regulatory review period. To meet its burden, the petition must comply with all the requirements of § 60.30, including but not limited to: Must be timely (see **DATES**), must be filed in accordance with § 10.20, must contain sufficient facts to merit an FDA investigation, and must certify that a true and complete copy of the petition has been served upon the patent applicant. (See H. Rept. 857, part 1, 98th Cong., 2d sess., pp. 41–42, 1984.) Petitions should be in the format specified in 21 CFR 10.30.

Submit petitions electronically to *https://www.regulations.gov* at Docket No. FDA–2013–S–0610. Submit written petitions (two copies are required) to the Dockets Management Staff (HFA–305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

Dated: January 8, 2018.

Leslie Kux,

Associate Commissioner for Policy.

[FR Doc. 2018–00353 Filed 1–10–18; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2017–N–6925]

Risk Communication Advisory Committee; Notice of Meeting; Establishment of a Public Docket; Request for Comments

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice; establishment of a public docket; request for comments.

SUMMARY: The Food and Drug Administration (FDA) announces a forthcoming public advisory committee meeting of the Risk Communication Advisory Committee. The general function of the committee is to provide advice and recommendations to FDA on regulatory issues. The meeting will be open to the public. FDA is establishing a docket for public comment on this document.

DATES: The meeting will be held on March 5, 2018, from 8 a.m. to 5 p.m. and March 6, 2018, from 9 a.m. to 12:30 p.m.

ADDRESSES: FDA White Oak Campus, 10903 New Hampshire Ave., Bldg. 31 Conference Center, the Great Room (Rm. 1503), Silver Spring, MD 20993–0002. Answers to commonly asked questions including information regarding special accommodations due to a disability, visitor parking, and transportation may be accessed at: *https://www.fda.gov/AdvisoryCommittees/AboutAdvisoryCommittees/ucm408555.htm.*

FDA is establishing a docket for public comment on this meeting. The docket number is FDA–2017–N–6925. The docket will close on April 6, 2018. Submit either electronic or written comments on this public meeting by April 6, 2018. Please note that late, untimely filed comments will not be considered. Electronic comments must be submitted on or before April 6, 2018. The *https://www.regulations.gov* electronic filing system will accept comments until midnight Eastern Time at the end of April 6, 2018. Comments received by mail/hand delivery/courier (for written/paper submissions) will be considered timely if they are postmarked or the delivery service acceptance receipt is on or before that date.

Comments received on or before February 26, 2018 will be provided to the committee. Comments received after that date will be taken into consideration by FDA.

You may submit comments as follows:

Electronic Submissions

Submit electronic comments in the following way:

- *Federal eRulemaking Portal: https://www.regulations.gov.* Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to *https://www.regulations.gov* will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else's Social Security number, or confidential business information. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on *https://www.regulations.gov.*
- If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see ''Written/Paper Submissions'' and ''Instructions'').

Written/Paper Submissions

Submit written/paper submissions as follows:

• *Mail/Hand delivery/Courier (for written/paper submissions):* Dockets Management Staff (HFA–305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

• For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in ''Instructions.''

Instructions: All submissions received must include the Docket No. FDA–2017–N–6925 for ''Risk Communication Advisory Committee; Notice of Meeting; Establishment of a Public Docket; Request for Comments.'' Received comments, those filed in a timely manner (see **ADDRESSES**) will be placed in the docket and, except for those submitted as ''Confidential Submissions,'' publicly viewable at *https://www.regulations.gov* or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday.

• Confidential Submissions—To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states ''THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION.'' FDA will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on *https://www.regulations.gov.* Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as ''confidential.'' Any information marked as ''confidential'' will not be disclosed except in accordance with 21 CFR 10.20 and other applicable disclosure law. For more information about FDA's posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: *https://www.gpo.gov/fdsys/pkg/FR-2015-09-18/pdf/2015-23389.pdf.*

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to *https://www.regulations.gov* and insert the docket number, found in brackets in the heading of this document, into the ''Search'' box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

FOR FURTHER INFORMATION CONTACT: Lee L. Zwanziger, Risk Communication Staff, Office of Planning, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 32, Rm. 3363, Silver Spring, MD 20993, 301–796–9151, Fax: 301–847–8611, email: *RCAC@fda.hhs.gov,* or FDA Advisory Committee Information Line, 1–800–741–8138 (301–443–0572 in the Washington, DC area), to find out further information regarding FDA advisory committee information. A notice in the **Federal Register** about last minute modifications that impact a previously announced advisory committee meeting cannot always be published quickly enough to provide timely notice. Therefore, you should always check the FDA's website at *http://www.fda.gov/AdvisoryCommittees/default.htm* and scroll down to the appropriate advisory committee meeting link, or call the advisory committee information line to learn about possible modifications before coming to the meeting.

SUPPLEMENTARY INFORMATION:

Agenda: On March 5 and 6, 2018, the committee will discuss the impact of pregnancy and lactation labeling information in prescription drug and biological products as modified under the Pregnancy and Lactation Labeling Rule. The Pregnancy and Lactation Labeling Rule (PLLR) was implemented in June 2015, and required changes to labeling of information in prescription drug and biological products to better communicate clinically relevant information to health care providers on risks associated with medication exposure during pregnancy and lactation. The Agency seeks input and recommendations on: (1) How information in PLLR labeling is being perceived and used by health care providers and other stakeholders, (2) factors that are critical to health care providers' interpretation of the data and counseling of pregnant women on the risks and benefits of a medication, and (3) how to convey risk information to health care providers to accurately and adequately inform risk-benefit considerations for medication use during pregnancy.

FDA intends to make background material available to the public no later than 2 business days before the meeting. If FDA is unable to post the background material on its website prior to the meeting, the background material will be made publicly available at the location of the advisory committee meeting, and the background material will be posted on FDA's website after the meeting. Background material is available at *http://www.fda.gov/AdvisoryCommittees/Calendar/default.htm.* Scroll down to the appropriate advisory committee meeting link.

Procedure: Interested persons may present data, information, or views, orally or in writing, on issues pending before the committee. Written submissions may be made to the contact person on or before February 26, 2018. Oral presentations from the public will be scheduled between approximately 12:45 p.m. and 1:45 p.m. on March 5, 2018, and between 9:10 a.m. and 9:30 a.m. on March 6, 2018. Those individuals interested in making formal oral presentations should notify the contact person and submit a brief statement of the general nature of the evidence or arguments they wish to present, the names and addresses of proposed participants, and an indication of the approximate time requested to make their presentation on or before February 16, 2018. Time allotted for each presentation may be limited. If the number of registrants requesting to speak is greater than can be reasonably accommodated during the scheduled open public hearing session, FDA may conduct a lottery to determine the speakers for the scheduled open public hearing session. The contact person will notify interested persons regarding their request to speak by February 20, 2018.

Persons attending FDA's advisory committee meetings are advised that FDA is not responsible for providing access to electrical outlets.

For press inquiries, please contact the Office of Media Affairs at *fdaoma@fda.hhs.gov* or 301–796–4540.

FDA welcomes the attendance of the public at its advisory committee meetings and will make every effort to accommodate persons with disabilities. If you require accommodations due to a disability, please contact Lee L. Zwanziger at least 7 days in advance of the meeting.

FDA is committed to the orderly conduct of its advisory committee meetings. Please visit our website at *http://www.fda.gov/AdvisoryCommittees/AboutAdvisoryCommittees/ucm111462.htm* for procedures on public conduct during advisory committee meetings.

Notice of this meeting is given under the Federal Advisory Committee Act (5 U.S.C. app. 2).

Dated: January 8, 2018.

Leslie Kux,

Associate Commissioner for Policy.

[FR Doc. 2018–00357 Filed 1–10–18; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2016–E–3777]

Determination of Regulatory Review Period for Purposes of Patent Extension; MICRA TRANSCATHETER PACING SYSTEM

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA or the Agency) has determined the regulatory review period for MICRA TRANSCATHETER PACING SYSTEM and is publishing this notice of that determination as required by law. FDA has made the determination because of the submission of applications to the Director of the U.S. Patent and Trademark Office (USPTO), Department of Commerce, for the extension of a patent which claims that medical device.

DATES: Anyone with knowledge that any of the dates as published (see the **SUPPLEMENTARY INFORMATION** section) are incorrect may submit either electronic or written comments and ask for a redetermination by March 12, 2018. Furthermore, any interested person may petition FDA for a determination regarding whether the applicant for extension acted with due diligence during the regulatory review period by July 10, 2018. See ''Petitions'' in the **SUPPLEMENTARY INFORMATION** section for more information.

ADDRESSES: You may submit comments as follows. Please note that late, untimely filed comments will not be considered. Electronic comments must be submitted on or before March 12, 2018. The *https://www.regulations.gov* electronic filing system will accept comments until midnight Eastern Time at the end of March 12, 2018. Comments received by mail/hand delivery/courier (for written/paper submissions) will be considered timely if they are postmarked or the delivery service acceptance receipt is on or before that date.

Electronic Submissions

Submit electronic comments in the following way:

- *Federal eRulemaking Portal: https://www.regulations.gov.* Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to *https://www.regulations.gov* will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else's Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on *https://www.regulations.gov.*
- If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see ''Written/Paper Submissions'' and ''Instructions'').

Written/Paper Submissions

Submit written/paper submissions as follows:

- *Mail/Hand Delivery/Courier (for written/paper submissions):* Dockets Management Staff (HFA–305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.
- For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in ''Instructions.''

Instructions: All submissions received must include the Docket No. FDA–2016–E–3777 for ''Determination of Regulatory Review Period for Purposes of Patent Extension; MICRA TRANSCATHETER PACING SYSTEM.'' Received comments, those filed in a timely manner (see **ADDRESSES**), will be placed in the docket and, except for those submitted as ''Confidential Submissions,'' publicly viewable at *https://www.regulations.gov* or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday.

- Confidential Submissions—To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states ''THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION.'' The Agency will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on *https://www.regulations.gov.* Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information to be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify this information as ''confidential.'' Any information marked as ''confidential'' will not be disclosed except in accordance with § 10.20 (21 CFR 10.20) and other applicable disclosure law. For more information about FDA's posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: *https://www.gpo.gov/fdsys/pkg/FR-2015-09-18/pdf/2015-23389.pdf.*

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to *https://www.regulations.gov* and insert the docket number, found in brackets in the heading of this document, into the ''Search'' box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

FOR FURTHER INFORMATION CONTACT: Beverly Friedman, Office of Regulatory Policy, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 51, Rm. 6250, Silver Spring, MD 20993, 301–796–3600.

SUPPLEMENTARY INFORMATION:

I. Background

The Drug Price Competition and Patent Term Restoration Act of 1984 (Pub. L. 98–417) and the Generic Animal Drug and Patent Term Restoration Act (Pub. L. 100–670) generally provide that a patent may be extended for a period of up to 5 years so long as the patented item (human drug product, animal drug product, medical device, food additive, or color additive) was subject to regulatory review by FDA before the item was marketed. Under these acts, a product's regulatory review period forms the basis for determining the amount of extension an applicant may receive.

A regulatory review period consists of two periods of time: A testing phase and an approval phase. For medical devices, the testing phase begins with a clinical investigation of the device and runs

until the approval phase begins. The approval phase starts with the initial submission of an application to market the device and continues until permission to market the device is granted. Although only a portion of a regulatory review period may count toward the actual amount of extension that the Director of USPTO may award (half the testing phase must be subtracted as well as any time that may have occurred before the patent was issued), FDA's determination of the length of a regulatory review period for a medical device will include all of the testing phase and approval phase as specified in 35 U.S.C. 156(g)(3)(B).

FDA has approved for marketing the medical device MICRA TRANSCATHETER PACING SYSTEM. MICRA TRANSCATHETER PACING SYSTEM is indicated for use in patients who have experienced one or more of the following conditions: (1) Symptomatic paroxysmal or permanent high-grade atrioventricular (AV) block in the presence of atrial fibrillation (AF); (2) symptomatic paroxysmal or permanent high-grade AV block in the absence of AF, as an alternative to dual chamber pacing, when atrial lead placement is considered difficult, high risk, or not deemed necessary for effective therapy; (3) symptomatic bradycardia-tachycardia syndrome or sinus node dysfunction (sinus bradycardia or sinus pauses), as an alternative to atrial or dual chamber pacing when atrial lead placement is considered difficult, high risk, or not deemed necessary for effective therapy. Subsequent to this approval, the USPTO received patent term restoration applications for MICRA TRANSCATHETER PACING SYSTEM (U.S. Patent Nos. 7,824,805 and 8,129,622) from Medtronic, Inc., and the USPTO requested FDA's assistance in determining the patents' eligibility for patent term restoration. In a letter dated March 13, 2017, FDA advised the USPTO that this medical device had undergone a regulatory review period and that the approval of MICRA TRANSCATHETER PACING SYSTEM represented the first permitted commercial marketing or use of the product. Thereafter, the USPTO requested that FDA determine the product's regulatory review period.

II. Determination of Regulatory Review Period

FDA has determined that the applicable regulatory review period for MICRA TRANSCATHETER PACING SYSTEM is 788 days. Of this time, 585 days occurred during the testing phase of the regulatory review period, while 203 days occurred during the approval phase. These periods of time were derived from the following dates:

1. *The date an exemption under section 520(g) of the Federal Food, Drug, and Cosmetic Act (FD&C Act) (21 U.S.C. 360j(g)) involving this device became effective:* February 10, 2014. The applicant claims that the investigational device exemption (IDE) required under section 520(g) of the FD&C Act for human tests to begin became effective on April 3, 2014. However, FDA records indicate that the IDE was determined substantially complete for clinical studies to have begun on February 10, 2014, which represents the IDE effective date.

2. *The date an application was initially submitted with respect to the device under section 515 of the FD&C Act (21 U.S.C. 360e):* September 17, 2015. FDA has verified the applicant's claim that the premarket approval application (PMA) for MICRA TRANSCATHETER PACING SYSTEM (PMA P150033) was initially submitted September 17, 2015.

3. *The date the application was approved:* April 6, 2016. FDA has verified the applicant's claim that PMA P150033 was approved on April 6, 2016.

This determination of the regulatory review period establishes the maximum potential length of a patent extension. However, the USPTO applies several statutory limitations in its calculations of the actual period for patent extension. In its applications for patent extension, this applicant seeks 457 days and 494 days of patent term extension.

III. Petitions

Anyone with knowledge that any of the dates as published are incorrect may submit either electronic or written comments and, under 21 CFR 60.24, ask for a redetermination (see **DATES**). Furthermore, as specified in § 60.30 (21 CFR 60.30), any interested person may petition FDA for a determination regarding whether the applicant for extension acted with due diligence during the regulatory review period. To meet its burden, the petition must comply with all the requirements of § 60.30, including but not limited to: Must be timely (see **DATES**), must be filed in accordance with § 10.20, must contain sufficient facts to merit an FDA investigation, and must certify that a true and complete copy of the petition has been served upon the patent applicant. (See H. Rept. 857, part 1, 98th Cong., 2d sess., pp. 41–42, 1984.) Petitions should be in the format specified in 21 CFR 10.30.

Submit petitions electronically to *https://www.regulations.gov* at Docket No. FDA–2013–S–0610. Submit written petitions (two copies are required) to the Dockets Management Staff (HFA–305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

Dated: January 8, 2018.

Leslie Kux,

Associate Commissioner for Policy.

[FR Doc. 2018–00355 Filed 1–10–18; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2017–N–6826]

Anesthetic and Analgesic Drug Products Advisory Committee; Notice of Meeting; Establishment of a Public Docket; Request for Comments

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice, establishment of a public docket; request for comments.

SUMMARY: The Food and Drug Administration (FDA) announces a forthcoming public advisory committee meeting of the Anesthetic and Analgesic Drug Products Advisory Committee. The general function of the committee is to provide advice and recommendations to FDA on regulatory issues. The meeting will be open to the public. FDA is establishing a docket for public comment on this document.

DATES: The meeting will be held on February 14, 2018, from 1:30 p.m. to 5 p.m., and February 15, 2018, from 8 a.m. to 5 p.m.

ADDRESSES: FDA White Oak Campus, 10903 New Hampshire Avenue, Bldg. 31 Conference Center, the Great Room (Rm. 1503), Silver Spring, MD 20993–0002. Answers to commonly asked questions including information regarding special accommodations due to a disability, visitor parking, and transportation may be accessed at: *https://www.fda.gov/AdvisoryCommittees/AboutAdvisoryCommittees/ucm408555.htm.*

FDA is establishing a docket for public comment on this meeting. The docket number is FDA–2017–N–6826. The docket will close on February 13, 2018. Submit either electronic or written comments on this public meeting by February 13, 2018. Please note that late, untimely filed comments will not be considered. Electronic comments must be submitted on or before February 13, 2018. The *https://www.regulations.gov* electronic filing

system will accept comments until midnight Eastern Time at the end of February 13, 2018. Comments received by mail/hand delivery/courier (for written/paper submissions) will be considered timely if they are postmarked or the delivery service acceptance receipt is on or before that date.

Comments received on or before January 31, 2018, will be provided to the committee. Comments received after that date will be taken into consideration by FDA.

You may submit comments as follows:

Electronic Submissions

Submit electronic comments in the following way:

• *Federal eRulemaking Portal: https://www.regulations.gov.* Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to *https://www.regulations.gov* will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else's Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on *https://www.regulations.gov.*

• If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see ''Written/Paper Submissions'' and ''Instructions'').

Written/Paper Submissions

Submit written/paper submissions as follows:

• *Mail/Hand delivery/Courier (for written/paper submissions):* Dockets Management Staff (HFA–305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

• For written/paper comments submitted to the Dockets Management Staff, FDA will post your comment, as well as any attachments, except for information submitted, marked and identified, as confidential, if submitted as detailed in ''Instructions.''

Instructions: All submissions received must include the Docket No. FDA–2017–N–6826 for ''Anesthetic and Analgesic Drug Products Advisory Committee; Notice of Meeting; Establishment of a Public Docket; Request for Comments.'' Received comments, those filed in a timely manner (see **ADDRESSES**), will be placed in the docket and, except for those submitted as ''Confidential Submissions,'' publicly viewable at *https://www.regulations.gov* or at the Dockets Management Staff between 9 a.m. and 4 p.m., Monday through Friday.

• Confidential Submissions—To submit a comment with confidential information that you do not wish to be made publicly available, submit your comments only as a written/paper submission. You should submit two copies total. One copy will include the information you claim to be confidential with a heading or cover note that states ''THIS DOCUMENT CONTAINS CONFIDENTIAL INFORMATION.'' FDA will review this copy, including the claimed confidential information, in its consideration of comments. The second copy, which will have the claimed confidential information redacted/blacked out, will be available for public viewing and posted on *https://www.regulations.gov.* Submit both copies to the Dockets Management Staff. If you do not wish your name and contact information be made publicly available, you can provide this information on the cover sheet and not in the body of your comments and you must identify the information as ''confidential.'' Any information marked as ''confidential'' will not be disclosed except in accordance with 21 CFR 10.20 and other applicable disclosure law. For more information about FDA's posting of comments to public dockets, see 80 FR 56469, September 18, 2015, or access the information at: *https://www.gpo.gov/fdsys/pkg/FR-2015-09-18/pdf/2015-23389.pdf.*

Docket: For access to the docket to read background documents or the electronic and written/paper comments received, go to *https://www.regulations.gov* and insert the docket number, found in brackets in the heading of this document, into the ''Search'' box and follow the prompts and/or go to the Dockets Management Staff, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.

FOR FURTHER INFORMATION CONTACT:

Moon Hee V. Choi, Center for Drug Evaluation and Research, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 31, Rm. 2417, Silver Spring, MD 20993–0002, 301–796–9001, Fax: 301–847–8533, email: *AADPAC@fda.hhs.gov,* or FDA Advisory Committee Information Line, 1–800–741–8138 (301–443–0572 in the Washington, DC area). A notice in the **Federal Register** about last minute modifications that impact a previously announced advisory committee meeting cannot always be published quickly enough to provide timely notice. Therefore, you should always check FDA's website at *https://www.fda.gov/AdvisoryCommittees/default.htm* and scroll down to the appropriate advisory committee meeting link, or call the advisory committee information line to learn about possible modifications before coming to the meeting.

SUPPLEMENTARY INFORMATION:

Agenda: The committee will discuss supplemental new drug application (sNDA) 022496/S–009, for EXPAREL (bupivacaine liposomal injectable suspension), submitted by Pacira Pharmaceuticals, Inc., to produce local analgesia and as a nerve block to produce regional analgesia.

FDA intends to make background material available to the public no later than 2 business days before the meeting. If FDA is unable to post the background material on its website prior to the meeting, the background material will be made publicly available at the location of the advisory committee meeting, and the background material will be posted on FDA's website after the meeting. Background material is available at *https://www.fda.gov/AdvisoryCommittees/Calendar/default.htm.* Scroll down to the appropriate advisory committee meeting link.

Procedure: Interested persons may present data, information, or views, orally or in writing, on issues pending before the committee. Written submissions may be made to the contact person on or before January 31, 2018. Oral presentations from the public will be scheduled between approximately 1 p.m. and 2 p.m. on February 15, 2018. Those individuals interested in making formal oral presentations should notify the contact person and submit a brief statement of the general nature of the evidence or arguments they wish to present, the names and addresses of proposed participants, and an indication of the approximate time requested to make their presentation on or before January 23, 2018. Time allotted for each presentation may be limited. If the number of registrants requesting to speak is greater than can be reasonably accommodated during the scheduled open public hearing session, FDA may conduct a lottery to determine the speakers for the scheduled open public hearing session. The contact person will notify interested persons

regarding their request to speak by January 24, 2018.

Persons attending FDA's advisory committee meetings are advised that FDA is not responsible for providing access to electrical outlets.

For press inquiries, please contact the Office of Media Affairs at *fdaoma@fda.hhs.gov* or 301–796–4540.

FDA welcomes the attendance of the public at its advisory committee meetings and will make every effort to accommodate persons with disabilities. If you require accommodations due to a disability, please contact Moon Hee V. Choi at least 7 days in advance of the meeting (See **FOR FURTHER INFORMATION CONTACT**).

FDA is committed to the orderly conduct of its advisory committee meetings. Please visit our website at *https://www.fda.gov/AdvisoryCommittees/AboutAdvisoryCommittees/ucm111462.htm* for procedures on public conduct during advisory committee meetings.

Notice of this meeting is given under the Federal Advisory Committee Act (5 U.S.C. app. 2).

Dated: January 4, 2018.

Leslie Kux,

Associate Commissioner for Policy.

[FR Doc. 2018–00359 Filed 1–10–18; 8:45 am]

BILLING CODE 4164–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

National Institute on Aging; Notice of Closed Meeting

Pursuant to section 10(d) of the Federal Advisory Committee Act, as amended, notice is hereby given of the following meeting.

The meeting will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4) and 552b(c)(6), Title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: National Institute on Aging Special Emphasis Panel; Revision Requests for ADCCs and ADRCs.

Date: February 6, 2018.

Time: 12:01 p.m. to 4:00 p.m.

Agenda: To review and evaluate grant applications.

Place: National Institute on Aging, Gateway Building, Suite 2W200, 7201 Wisconsin Avenue, Bethesda, MD 20892.

Contact Person: Maurizio Grimaldi, MD, Ph.D., Scientific Review Officer, National Institute on Aging, National Institutes of Health, 7201 Wisconsin Avenue, Room 2C218, Bethesda, MD 20892, 301–496–9374, *grimaldim2@mail.nih.gov*.

(Catalogue of Federal Domestic Assistance Program Nos. 93.866, Aging Research, National Institutes of Health, HHS)

Dated: January 8, 2018.

Melanie J. Pantoja,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2018–00389 Filed 1–10–18; 8:45 am]

BILLING CODE 4140–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Center for Scientific Review; Notice of Closed Meetings

Pursuant to section 10(d) of the Federal Advisory Committee Act, as amended, notice is hereby given of the following meetings.

The meetings will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4) and 552b(c)(6), Title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: Center for Scientific Review Special Emphasis Panel; Undiagnosed Diseases Network Phase II.

Date: January 30, 2018.

Time: 11:00 a.m. to 3:00 p.m.

Agenda: To review and evaluate grant applications.

Place: National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892 (Virtual Meeting).

Contact Person: Wallace Ip, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 5128, MSC 7840, Bethesda, MD 20892, 301–435–1191, *ipws@mail.nih.gov*.

This notice is being published less than 15 days prior to the meeting due to the timing limitations imposed by the review and funding cycle.

Name of Committee: Cell Biology Integrated Review Group; Development—2 Study Section.

Date: February 8–9, 2018.

Time: 8:00 a.m. to 12:00 p.m.

Agenda: To review and evaluate grant applications.

Place: Residence Inn Bethesda Downtown, 7335 Wisconsin Avenue, Bethesda, MD 20814.

Contact Person: Rass M Shayiq, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 2182, MSC 7818, Bethesda, MD 20892, (301) 435–2359, *shayiqr@csr.nih.gov*.

Name of Committee: Healthcare Delivery and Methodologies Integrated Review Group; Community-Level Health Promotion Study Section.

Date: February 12–13, 2018.

Time: 8:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Place: Hotel Nikko San Francisco, 222 Mason Street, San Francisco, CA 94102.

Contact Person: Ping Wu, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 3166, Bethesda, MD 20892, 301–451–8428, *wup4@csr.nih.gov*.

Name of Committee: Musculoskeletal, Oral and Skin Sciences Integrated Review Group; Musculoskeletal Tissue Engineering Study Section.

Date: February 12–13, 2018.

Time: 8:00 a.m. to 5:30 p.m.

Agenda: To review and evaluate grant applications.

Place: Virginian Suites, 1500 Arlington Boulevard, Arlington, VA 22209.

Contact Person: Baljit S Moonga, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 4214, MSC 7806, Bethesda, MD 20892, 301–435–1777, *moongabs@mail.nih.gov*.

Name of Committee: Risk, Prevention and Health Behavior Integrated Review Group; Addiction Risks and Mechanisms Study Section.

Date: February 12–13, 2018.

Time: 8:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Place: The Dupont Hotel, 1500 New Hampshire Avenue NW, Washington, DC 20036.

Contact Person: Kristen Prentice, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 3112, MSC 7808, Bethesda, MD 20892, (301) 496–0726, *prenticekj@mail.nih.gov*.

Name of Committee: Digestive, Kidney and Urological Systems Integrated Review Group; Pathobiology of Kidney Disease Study Section.

Date: February 13–14, 2018.

Time: 8:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Place: Residence Inn Bethesda, 7335 Wisconsin Avenue, Bethesda, MD 20814.

Contact Person: Atul Sahai, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 2188, MSC 7818, Bethesda, MD 20892, 301–435–1198, *sahaia@csr.nih.gov*.

Name of Committee: Cell Biology Integrated Review Group; Molecular and

Integrative Signal Transduction Study Section.

Date: February 13, 2018.

Time: 8:00 a.m. to 8:00 p.m.

Agenda: To review and evaluate grant applications.

Place: Hilton Garden Inn Bethesda, 7301 Waverly Street, Bethesda, MD 20814.

Contact Person: Charles Selden, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 5187, MSC 7840, Bethesda, MD 20892, 301–451–3388, *seldens@mail.nih.gov*.

Name of Committee: Cell Biology Integrated Review Group; Development—1 Study Section.

Date: February 13, 2018.

Time: 8:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Place: Sir Francis Drake Hotel, 450 Powell Street at Sutter, San Francisco, CA 94102.

Contact Person: Thomas Beres, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 5148, MSC 7840, Bethesda, MD 20892, 301–435–1175, *berestm@mail.nih.gov*.

Name of Committee: Center for Scientific Review Special Emphasis Panel; PAR Panel: Target Assessment, Engagement and Data Replicability to Improve Substance Use Disorders Treatment Outcome.

Date: February 13, 2018.

Time: 12:00 p.m. to 2:00 p.m.

Agenda: To review and evaluate grant applications.

Place: The Dupont Hotel, 1500 New Hampshire Avenue NW, Washington, DC 20036.

Contact Person: Kristen Prentice, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 3112, MSC 7808, Bethesda, MD 20892, 301–496–0726, *prenticekj@mail.nih.gov*.

Name of Committee: Bioengineering Sciences & Technologies Integrated Review Group, Modeling and Analysis of Biological Systems Study Section.

Date: February 14–15, 2018.

Time: 8:00 a.m. to 5:00 p.m.

Agenda: To review and evaluate grant applications.

Place: Hotel Nikko San Francisco, 222 Mason Street, San Francisco, CA 94102.

Contact Person: Craig Giroux, Ph.D., Scientific Review Officer, BST IRG, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 5150, Bethesda, MD 20892, 301–435–2204, *girouxcn@csr.nih.gov*.

Name of Committee: Cardiovascular and Respiratory Sciences Integrated Review Group; Cardiac Contractility, Hypertrophy, and Failure Study Section.

Date: February 14–15, 2018.

Time: 8:00 a.m. to 3:00 p.m.

Agenda: To review and evaluate grant applications.

Place: The Ritz-Carlton Pentagon, 1250 S Hayes Street, Arlington, VA 22202.

Contact Person: Abdelouahab Aitouche, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 4222, MSC 7814, Bethesda, MD 20892, 301–435–2365, *aitouchea@csr.nih.gov*.

Name of Committee: Center for Scientific Review Special Emphasis Panel; PAR15–162: Pilot and Feasibility Clinical Research Grants in Urological Disorder.

Date: February 14, 2018.

Time: 10:00 a.m. to 1:00 p.m.

Agenda: To review and evaluate grant applications.

Place: National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892 (Telephone Conference Call).

Contact Person: Ganesan Ramesh, Ph.D., Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 2182, MSC 7818, Bethesda, MD 20892, 301–827–5467, *ganesan.ramesh@nih.gov*.

(Catalogue of Federal Domestic Assistance Program Nos. 93.306, Comparative Medicine; 93.333, Clinical Research, 93.306, 93.333, 93.337, 93.393–93.396, 93.837–93.844, 93.846–93.878, 93.892, 93.893, National Institutes of Health, HHS)

Dated: January 5, 2018.

Melanie J. Pantoja,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2018–00296 Filed 1–10–18; 8:45 am]

BILLING CODE 4140–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Center for Scientific Review; Notice of Closed Meetings

Pursuant to section 10(d) of the Federal Advisory Committee Act, as amended, notice is hereby given of the following meetings.

The meetings will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4) and 552b(c)(6), Title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: Center for Scientific Review Special Emphasis Panel; PAR Panel: Linking Provider Recommendation to Adolescent HPV Uptake.

Date: January 16, 2018.

Time: 12:00 p.m. to 4:00 p.m.

Agenda: To review and evaluate grant applications.

Place: National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892 (Telephone Conference Call).

Contact Person: Tasmeen Weik, DRPH, MPH, Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 3141, Bethesda, MD 20892, 301–827–6480, *weikts@mail.nih.gov.*

This notice is being published less than 15 days prior to the meeting due to the timing limitations imposed by the review and funding cycle.

Name of Committee: Healthcare Delivery and Methodologies Integrated Review Group, Community Influences on Health Behavior Study Section.

Date: February 1–2, 2018.

Time: 8:00 a.m. to 5:00 p.m.

Agenda: To review and evaluate grant applications.

Place: Serrano Hotel, 405 Taylor Street, San Francisco, CA 94102.

Contact Person: Tasmeen Weik, DRPH, MPH, Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 3141, Bethesda, MD 20892, 301–827–6480, *weikts@mail.nih.gov.*

Name of Committee: Vascular and Hematology Integrated Review Group, Molecular and Cellular Hematology Study Section.

Date: February 5–6, 2018.

Time: 8:00 a.m. to 5:00 p.m.

Agenda: To review and evaluate grant applications.

Place: Residence Inn Bethesda, 7335 Wisconsin Avenue, Bethesda, MD 20814.

Contact Person: Luis Espinoza, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 6183, MSC 7804, Bethesda, MD 20892, 301–495–1213, *espinozala@mail.nih.gov.*

Name of Committee: Immunology Integrated Review Group; Hypersensitivity, Autoimmune, and Immune-mediated Diseases Study Section.

Date: February 8–9, 2018.

Time: 8:00 a.m. to 3:00 p.m.

Agenda: To review and evaluate grant applications.

Place: Hotel Zoe, 425 North Point Street, San Francisco, CA 94133.

Contact Person: Deborah Hodge, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 4207 MSC 7812, Bethesda, MD 20892, (301) 435–1238, *hodged@mail.nih.gov.*

Name of Committee: Molecular, Cellular and Developmental Neuroscience Integrated Review Group; Molecular Neuropharmacology and Signaling Study Section.

Date: February 8–9, 2018.

Time: 8:00 a.m. to 3:00 p.m.

Agenda: To review and evaluate grant applications.

Place: Holiday Inn Hotel & Suites Alexandria—Old Town, 625 First Street, Alexandria, VA 22314.

Contact Person: Carole L Jelsema, Ph.D., Chief and Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 4176, MSC 7850, Bethesda, MD 20892 (301) 435–1248, *jelsemac@csr.nih.gov.*

Name of Committee: Cell Biology Integrated Review Group; Intercellular Interactions Study Section.
Date: February 8–9, 2018.
Time: 8:00 a.m. to 5:00 p.m.
Agenda: To review and evaluate grant applications.
Place: Courtyard New Orleans French Quarter/Iberville, 910 Iberville Street, New Orleans, LA 70112.
Contact Person: Wallace Ip, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 5128, MSC 7840, Bethesda, MD 20892, 301–435–1191, *ipws@mail.nih.gov.*

Name of Committee: Digestive, Kidney and Urological Systems Integrated Review Group; Kidney Molecular Biology and Genitourinary Organ Development.
Date: February 8, 2018.
Time: 8:00 a.m. to 6:00 p.m.
Agenda: To review and evaluate grant applications.
Place: Crowne Plaza Washington National Airport, 1489 Jefferson Davis Hwy, Arlington, VA 22202.
Contact Person: Ganesan Ramesh, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 2182, MSC 7818, Bethesda, MD 20892, 301–827–5467, *ganesan.ramesh@nih.gov.*

(Catalogue of Federal Domestic Assistance Program Nos. 93.306, Comparative Medicine; 93.333, Clinical Research, 93.306, 93.333, 93.337, 93.393–93.396, 93.837–93.844, 93.846–93.878, 93.892, 93.893, National Institutes of Health, HHS)

Dated: January 5, 2018.

Melanie J. Pantoja,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2018–00295 Filed 1–10–18; 8:45 am]

BILLING CODE 4140–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

National Institute on Aging; Notice of Closed Meeting

Pursuant to section 10(d) of the Federal Advisory Committee Act, as amended, notice is hereby given of the following meeting.

The meeting will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4) and 552b(c)(6), Title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: National Institute on Aging Special Emphasis Panel; NIA Student Training.
Date: February 16, 2018.
Time: 1:00 p.m. to 4:00 p.m.
Agenda: To review and evaluate grant applications.
Place: National Institute on Aging, Gateway Building, Suite 2W200, 7201 Wisconsin Avenue, Bethesda, MD 20892 (Telephone Conference Call).
Contact Person: Jeannette L. Johnson, Ph.D., National Institutes on Aging, National Institutes of Health, 7201 Wisconsin Avenue, Suite 2C212, Bethesda, MD 20892, 301–402–7705, *johnsonj9@nia.nih.gov.*

(Catalogue of Federal Domestic Assistance Program Nos. 93.866, Aging Research, National Institutes of Health, HHS)

Dated: January 8, 2018.

Melanie J. Pantoja,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2018–00390 Filed 1–10–18; 8:45 am]

BILLING CODE 4140–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

National Institute on Alcohol Abuse and Alcoholism; Notice of Closed Meeting

Pursuant to section 10(d) of the Federal Advisory Committee Act, as amended, notice is hereby given of the following meeting.

The meeting will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4) and 552b(c)(6), Title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: National Institute on Alcohol Abuse and Alcoholism Special Emphasis Panel; NRSA Individual Predoctoral and Postdoctoral Fellowship Review.
Date: March 16, 2018.
Time: 8:30 a.m. to 5:00 p.m.
Agenda: To review and evaluate grant applications.
Place: National Institutes of Health, National Institute on Alcohol Abuse and Alcoholism, Terrace Level Conference Room 508/509, 5635 Fishers Lane, Bethesda, MD 20892.
Contact Person: Richard A. Rippe, Ph.D., Scientific Review Officer, Extramural Project Review Branch, Office of Extramural Activities, National Institute on Alcohol Abuse and Alcoholism, 5635 Fishers Lane, Room 2109, Rockville, MD 20852, 301–443–8599, *rippera@mail.nih.gov.*

(Catalogue of Federal Domestic Assistance Program Nos. 93.271, Alcohol Research Career Development Awards for Scientists and Clinicians; 93.272, Alcohol National Research Service Awards for Research Training; 93.273, Alcohol Research Programs; 93.891, Alcohol Research Center Grants; 93.701, ARRA Related Biomedical Research and Research Support Awards, National Institutes of Health, HHS)

Dated: January 5, 2018.

Melanie J. Pantoja,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2018–00298 Filed 1–10–18; 8:45 am]

BILLING CODE 4140–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

Center for Scientific Review; Notice of Closed Meetings

Pursuant to section 10(d) of the Federal Advisory Committee Act, as amended, notice is hereby given of the following meetings.

The meetings will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4) and 552b(c)(6), Title 5 U.S.C., as amended. The grant applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: Biological Chemistry and Macromolecular Biophysics Integrated Review Group; Synthetic and Biological Chemistry A Study Section.
Date: February 1–2, 2018.
Time: 8:00 a.m. to 5:00 p.m.
Agenda: To review and evaluate grant applications.
Place: Pier 2620 Hotel Fisherman's Wharf, 2620 Jones Street, San Francisco, CA 94133.
Contact Person: Anita Szajek, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 4187, Bethesda, MD 20892, 301–827–6276, *anita.szajek@nih.gov.*

Name of Committee: Interdisciplinary Molecular Sciences and Training Integrated Review Group; Cellular and Molecular Technologies Study Section.
Date: February 6–7, 2018.
Time: 8:00 a.m. to 6:00 p.m.
Agenda: To review and evaluate grant applications.
Place: Bethesda North Marriott Hotel & Conference Center, 5701 Marinelli Road, Bethesda, MD 20852.

Contact Person: Tatiana V. Cohen, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 5213, Bethesda, MD 20892, 301–455–2364, *tatiana.cohen@nih.gov.*

Name of Committee: Biological Chemistry and Macromolecular Biophysics Integrated Review Group; Macromolecular Structure and Function C Study Section.

Date: February 8–9, 2018.

Time: 8:00 a.m. to 5:00 p.m.

Agenda: To review and evaluate grant applications.

Place: The Darcy Hotel, 1515 Rhode Island Avenue, Washington, DC 20005.

Contact Person: William A. Greenberg, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 4168, MSC 7806, Bethesda, MD 20892, (301) 435–1726, *greenbergwa@csr.nih.gov.*

Name of Committee: Cardiovascular and Respiratory Sciences Integrated Review Group; Respiratory Integrative Biology and Translational Research Study Section.

Date: February 8–9, 2018.

Time: 8:00 a.m. to 5:00 p.m.

Agenda: To review and evaluate grant applications.

Place: Admiral Fell Inn, 888 South Broadway, Baltimore, MD 21231.

Contact Person: Bradley Nuss, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 4142, MSC7814, Bethesda, MD 20892, 301–451–8754, *nussb@csr.nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; PAR Panel: Improvement of Animal Models for Stem Cell-Based Regenerative Medicine.

Date: February 9, 2018.

Time: 12:00 p.m. to 3:00 p.m.

Agenda: To review and evaluate grant applications.

Place: Residence Inn Bethesda, 7335 Wisconsin Avenue, Bethesda, MD 20814.

Contact Person: Rass M. Shayiq, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 2182, MSC 7818, Bethesda, MD 20892, (301) 435–2359, *shayiqr@csr.nih.gov.*

Name of Committee: Cardiovascular and Respiratory Sciences Integrated Review Group; Myocardial Ischemia and Metabolism Study Section.

Date: February 15–16, 2018.

Time: 8:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Place: Courtyard Silver Spring Downtown, 8506 Fenton Street, Silver Spring, MD 20910.

Contact Person: Kimm Hamann, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 4118A, MSC 7814, Bethesda, MD 20892, 301–435–5575, *hamannkj@csr.nih.gov.*

Name of Committee: Endocrinology, Metabolism, Nutrition and Reproductive Sciences Integrated Review Group; Clinical and Integrative Diabetes and Obesity Study Section.

Date: February 15–16, 2018.

Time: 8:00 a.m. to 5:00 p.m.

Agenda: To review and evaluate grant applications.

Place: Renaissance Mayflower Hotel, 1127 Connecticut Avenue NW, Washington, DC 20036.

Contact Person: Hui Chen, MD, Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, 301–435–1044, *chenhui@csr.nih.gov.*

Name of Committee: Molecular, Cellular and Developmental Neuroscience Integrated Review Group; Biophysics of Neural Systems Study Section.

Date: February 15, 2018.

Time: 8:00 a.m. to 7:00 p.m.

Agenda: To review and evaluate grant applications.

Place: Villa Florence Hotel, 225 Powell Street, San Francisco, CA 94102.

Contact Person: Geoffrey G. Schofield, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 4040–A, MSC 7850, Bethesda, MD 20892, 301–435–1235, *geoffreys@csr.nih.gov.*

Name of Committee: Immunology Integrated Review Group; Innate Immunity and Inflammation Study Section.

Date: February 15–16, 2018.

Time: 8:00 a.m. to 5:00 p.m.

Agenda: To review and evaluate grant applications.

Place: Ritz-Carlton Hotel at Pentagon City, 1250 South Hayes Street, Arlington, VA 22202.

Contact Person: Tina McIntyre, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 4202, MSC 7812, Bethesda, MD 20892, 301–594–6375, *mcintyrt@csr.nih.gov.*

Name of Committee: Digestive, Kidney and Urological Systems Integrated Review Group; Clinical, Integrative and Molecular Gastroenterology Study Section.

Date: February 15–16, 2018.

Time: 8:00 a.m. to 5:00 p.m.

Agenda: To review and evaluate grant applications.

Place: Lorien Hotel & Spa, 1600 King Street, Alexandria, VA 22314.

Contact Person: Jonathan K. Ivins, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 2190, MSC 7850, Bethesda, MD 20892, (301) 594–1245, *ivinsj@csr.nih.gov.*

Name of Committee: Bioengineering Sciences & Technologies Integrated Review Group; Gene and Drug Delivery Systems Study Section.

Date: February 15–16, 2018.

Time: 8:00 a.m. to 5:00 p.m.

Agenda: To review and evaluate grant applications.

Place: Courtyard by Marriott, 5520 Wisconsin Avenue, Chevy Chase, MD 20815.

Contact Person: Kee Hyang Pyon, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 5148, MSC 7806, Bethesda, MD 20892, 301–272–4865, *pyonkh2@csr.nih.gov.*

Name of Committee: Healthcare Delivery and Methodologies Integrated Review Group; Biomedical Computing and Health Informatics Study Section.

Date: February 15–16, 2018.

Time: 8:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Place: Embassy Suites at the Chevy Chase Pavilion, 4300 Military Road NW, Washington, DC 20015.

Contact Person: Xin Yuan, MD, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 3141, Bethesda, MD 20892, 301–827–7245, *yuanx4@csr.nih.gov.*

Name of Committee: Brain Disorders and Clinical Neuroscience Integrated Review Group; Neural Basis of Psychopathology, Addictions and Sleep Disorders Study Section.

Date: February 15–16, 2018.

Time: 8:30 a.m. to 5:00 p.m.

Agenda: To review and evaluate grant applications.

Place: Hotel Nikko San Francisco, 222 Mason Street, San Francisco, CA 94102.

Contact Person: Julius Cinque, MS, Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 5186, MSC 7846, Bethesda, MD 20892, *cinquej@csr.nih.gov.*

Name of Committee: Infectious Diseases and Microbiology Integrated Review Group; Pathogenic Eukaryotes Study Section.

Date: February 15–16, 2018.

Time: 8:30 a.m. to 5:00 p.m.

Agenda: To review and evaluate grant applications.

Place: Torrance Marriott Redondo Beach, 3635 Fashion Way, Torrance, CA 90503.

Contact Person: Tera Bounds, DVM, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 3198, MSC 7808, Bethesda, MD 20892, 301 435–2306, *boundst@csr.nih.gov.*

Name of Committee: Infectious Diseases and Microbiology Integrated Review Group; Clinical Research and Field Studies of Infectious Diseases Study Section.

Date: February 15–16, 2018.

Time: 8:30 a.m. to 5:30 p.m.

Agenda: To review and evaluate grant applications.

Place: Hyatt Regency Bethesda, 1 Bethesda Metro Center, Bethesda, MD 20814.

Contact Person: Soheyla Saadi, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 3211, MSC 7808, Bethesda, MD 20892, 301–435–0903, *saadisoh@csr.nih.gov.*

Name of Committee: Cardiovascular and Respiratory Sciences Integrated Review Group; Electrical Signaling, Ion Transport, and Arrhythmias Study Section.

Date: February 16, 2018.

Time: 8:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Place: Argonaut Hotel, 495 Jefferson Street, San Francisco, CA 94109.

Contact Person: Chee Lim, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Room 4128, Bethesda, MD 20892, 301–435–1850, *limc4@csr.nih.gov.*

Name of Committee: Center for Scientific Review Special Emphasis Panel; Academic Research Enhancement Award.

Date: February 16, 2018.

Time: 1:00 p.m. to 5:00 p.m.

Agenda: To review and evaluate grant applications.

Place: National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892.

Contact Person: Inna Gorshkova, Ph.D., Scientific Review Officer, Center for Scientific Review, National Institutes of Health, 6701 Rockledge Drive, Bethesda, MD 20892, 301–435–1784, *gorshkoi@csr.nih.gov.*

(Catalogue of Federal Domestic Assistance Program Nos. 93.306, Comparative Medicine; 93.333, Clinical Research, 93.306, 93.333, 93.337, 93.393–93.396, 93.837–93.844, 93.846–93.878, 93.892, 93.893, National Institutes of Health, HHS)

Dated: January 8, 2018.

Melanie J. Pantoja,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2018–00388 Filed 1–10–18; 8:45 am]

BILLING CODE 4140–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Institutes of Health

National Cancer Institute; Notice of Closed Meetings

Pursuant to section 10(d) of the Federal Advisory Committee Act, as amended, notice is hereby given of the following meetings.

The meetings will be closed to the public in accordance with the provisions set forth in sections 552b(c)(4) and 552b(c)(6), Title 5 U.S.C., as amended. The grant and/or contract proposals applications and the discussions could disclose confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the grant and/or contract proposals applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Name of Committee: National Cancer Institute Special Emphasis Panel TEP–9B: Cancer Cachexia Therapy.

Date: February 6, 2018.

Time: 10:00 a.m. to 12:00 p.m.

Agenda: To review and evaluate contract proposals.

Place: National Cancer Institute, Shady Grove, 9609 Medical Center Drive, Room 7W030, Rockville, MD 20850 (Telephone Conference Call).

Contact Person: Jun Fang, Ph.D., Scientific Review Officer, Research Technology and Contract Review Branch, Division of Extramural Activities, National Cancer Institute, NIH, 9609 Medical Center Drive, Room 7W246, Bethesda, MD 20892–9750, 240–276–5460, *jfang@mail.nih.gov.*

Name of Committee: National Cancer Institute Special Emphasis Panel; Development of Informatics Technologies for Cancer Research and Management.

Date: February 8–9, 2018.

Time: 5:00 p.m. to 5:00 p.m.

Agenda: To review and evaluate grant applications.

Place: Cambria Hotel & Suites Rockville, 1 Helen Henghan Way, Rockville, MD 20892.

Contact Person: Saejeong J. Kim, Ph.D., Scientific Review Officer, Special Review Branch, Division of Extramural Activities, National Cancer Institute, NIH, 9609 Medical Center Drive, Room 7W640, Bethesda, MD 20892–9750, 240–276–5179, *saejeong.kim@nih.gov.*

Name of Committee: National Cancer Institute Special Emphasis Panel; NCI Program Project V (P01) Review.

Date: February 14–15, 2018.

Time: 5:00 p.m. to 5:00 p.m.

Agenda: To review and evaluate grant applications.

Place: Gaithersburg Marriott Washingtonian Center, 9751 Washingtonian Boulevard, Gaithersburg, MD 20878.

Contact Person: Wlodek Lopaczynski, MD, Ph.D., Scientific Review Officer, Office of the Director, Division of Extramural Activities, National Cancer Institute, NIH, 9609 Medical Center Drive, Room 7W514, Bethesda, MD 20892–9750, 240–276–6340, *lopacw@mail.nih.gov.*

Name of Committee: National Cancer Institute Special Emphasis Panel; Innovative Molecular Analysis Technologies (IMAT).

Date: February 15, 2018.

Time: 10:00 a.m. to 5:00 p.m.

Agenda: To review and evaluate grant applications.

Place: National Cancer Institute, Shady Grove, 9609 Medical Center Drive, Room 7W030, Rockville, MD 20850 (Telephone Conference Call).

Contact Person: Yasuko Furumoto, Ph.D., Scientific Review Officer, Research Technology and Contract Review Branch, Division of Extramural Activities, National Cancer Institute, NIH, 9609 Medical Center Drive, Room 7W424, Bethesda, MD 20892–9750, 240–276–5287, *yasuko.furumoto@nih.gov.*

Name of Committee: National Cancer Institute Special Emphasis Panel; Pancreatic Cancer Detection Consortium (U01).

Date: February 15, 2018.

Time: 11:00 a.m. to 1:00 p.m.

Agenda: To review and evaluate grant applications.

Place: National Cancer Institute, Shady Grove, 9609 Medical Center Drive, Room 7W240, Rockville, MD 20850 (Telephone Conference Call).

Contact Person: Hasan Siddiqui, Ph.D., Scientific Review Officer, Special Review Branch, Division of Extramural Activities, National Cancer Institute, NIH 9609, Medical Center Drive, Room 7W240, Bethesda, MD 20892–9750, 240–276–5122, *hasan.siddiqui@nih.gov.*

Name of Committee: National Cancer Institute Special Emphasis Panel; SEP–5A: NCI Clinical and Translational Exploratory/Developmental Studies.

Date: February 15, 2018.

Time: 11:00 a.m. to 4:00 p.m.

Agenda: To review and evaluate grant applications.

Place: National Cancer Institute, Shady Grove, 9609 Medical Center Drive, Room 7W238, Rockville, MD 20850 (Telephone Conference Call).

Contact Person: Byeong-Chel Lee, Ph.D., Scientific Review Officer, Resources and Training Review Branch, Division of Extramural Activities, National Cancer Institute, NIH, 9609 Medical Center Drive, Room 7W238, Bethesda, MD 20892–9750, 240–276–7755, *byeong-chel.lee@nih.gov.*

Name of Committee: National Cancer Institute Special Emphasis Panel; UH2 Review.

Date: February 27, 2018.

Time: 1:00 p.m. to 4:00 p.m.

Agenda: To review and evaluate grant applications.

Place: National Cancer Institute, Shady Grove, 9609 Medical Center Drive, Room 7W608, Rockville, MD 20850 (Telephone Conference Call).

Contact Person: Robert E. Bird, Ph.D., Scientific Review Officer, Research Program Review Branch, Division of Extramural Activities, National Cancer Institute, NIH, 9609 Medical Center Drive, Room 7W608, Bethesda, MD 20892–9750, 240–276–6344, *birdr@mail.nih.gov.*

Name of Committee: National Cancer Institute Special Emphasis Panel; R25 Review.

Date: February 28, 2018.

Time: 1:00 p.m. to 4:00 p.m.

Agenda: To review and evaluate grant applications.

Place: National Cancer Institute, Shady Grove, 9609 Medical Center Drive, Room 7W608, Rockville, MD 20850 (Telephone Conference Call).

Contact Person: Robert E. Bird, Ph.D., Scientific Review Officer, Research Program Review Branch, Division of Extramural Activities, National Cancer Institute, NIH, 9609 Medical Center Drive, Room 7W608, Bethesda, MD 20892–9750, 240–276–6344, *birdr@mail.nih.gov.*

Name of Committee: National Cancer Institute Special Emphasis Panel; R01 Multi-Site.

Date: March 6, 2018.

Time: 1:00 p.m. to 5:00 p.m.

Agenda: To review and evaluate grant applications.

Place: National Cancer Institute, Shady Grove, 9609 Medical Center Drive, Room 7W608, Rockville, MD 20850 (Telephone Conference Call).

Contact Person: Robert E. Bird, Ph.D., Scientific Review Officer, Research Program Review Branch, Division of Extramural Activities, National Cancer Institute, NIH, 9609 Medical Center Drive, Room 7W608, Bethesda, MD 20892–9750, 240–276–6344, *birdr@mail.nih.gov.*

Name of Committee: National Cancer Institute Special Emphasis Panel; Outstanding Investigator Award (OIA) II.

Date: March 8–9, 2018.

Time: 8:00 a.m. to 1:00 p.m.

Agenda: To review and evaluate grant applications.

Place: Gaithersburg Marriott Washingtonian Center, 9751 Washingtonian Boulevard, Gaithersburg, MD 20878.

Contact Person: Caron A. Lyman, Ph.D., Scientific Review Officer, Research Program Review Branch, Division of Extramural Activities, National Cancer Institute, NIH, 9609 Medical Center Drive, Room 7W126, Bethesda, MD 20892–9750, 240–276–6348, *lymanc@mail.nih.gov.*

Name of Committee: National Cancer Institute Special Emphasis Panel; SEP–9—Drug Development.

Date: March 9, 2018.

Time: 9:00 a.m. to 6:00 p.m.

Agenda: To review and evaluate grant applications.

Place: National Cancer Institute, Shady Grove, 9609 Medical Center Drive, Room 7W114, Rockville, MD 20850 (Telephone Conference Call).

Contact Person: Jeffrey E. DeClue, Ph.D., Scientific Review Officer, Research Technology and Contract Review Branch, Division of Extramural Activities, National Cancer Institute, NIH, 9609 Medical Center Drive, Room 7W114, Bethesda, MD 20892–9750, 240–276–6371, *decluej@mail.nih.gov.*

Name of Committee: National Cancer Institute Special Emphasis Panel; TEP–1: Development of Software Tools for Post Radiation Therapy Surveillance.

Date: March 13–14, 2018.

Time: 4:00 p.m. to 5:00 p.m.

Agenda: To review and evaluate contract proposals.

Place: Bethesda North Marriott Hotel & Conference Center, 5701 Marinelli Road, North Bethesda, MD 20852.

Contact Person: Shakeel Ahmad, Ph.D., Scientific Review Officer, Research Technology and Contract Review Branch, Division of Extramural Activities, National Cancer Institute, NIH, 9609 Medical Center Drive, Room 7W102, Bethesda, MD 20892–9750, 240–276–6349, *ahmads@mail.nih.gov.*

Name of Committee: National Cancer Institute Special Emphasis Panel; Emerging Questions in Cancer Systems Biology (U01).

Date: March 16, 2018.

Time: 8:00 a.m. to 4:00 p.m.

Agenda: To review and evaluate grant applications.

Place: National Cancer Institute, Shady Grove, 9609 Medical Center Drive, Room 2E908, Rockville, MD 20850.

Contact Person: Timothy C. Meeker, MD, Scientific Review Officer, Resources and Training Review Branch, Division of Extramural Activities, National Cancer Institute, NIH, 9609 Medical Center Drive, Room 7W606, Bethesda, MD 20892–9750, 240–276–6464, *meekert@mail.nih.gov.*

(Catalogue of Federal Domestic Assistance Program Nos. 93.392, Cancer Construction; 93.393, Cancer Cause and Prevention Research; 93.394, Cancer Detection and Diagnosis Research; 93.395, Cancer Treatment Research; 93.396, Cancer Biology Research; 93.397, Cancer Centers Support; 93.398, Cancer Research Manpower; 93.399, Cancer Control, National Institutes of Health, HHS)

Dated: January 5, 2018.

Melanie J. Pantoja,

Program Analyst, Office of Federal Advisory Committee Policy.

[FR Doc. 2018–00297 Filed 1–10–18; 8:45 am]

BILLING CODE 4140–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Substance Abuse and Mental Health Services Administration

Center for Substance Abuse Prevention; Notice of Meeting

Pursuant to Public Law 92–463, notice is hereby given for the meeting of the Substance Abuse and Mental Health Services Administration's (SAMHSA) Center for Substance Abuse Prevention National Advisory Council (CSAP NAC) on February 14, 2018.

The Council was established to advise the Secretary, Department of Health and Human Services (HHS); the Assistant Secretary for Mental Health and Substance Use, SAMHSA; and Director, CSAP concerning matters relating to the activities carried out by and through the Center and the policies respecting such activities.

The meeting will be open to the public and will include the discussion of the substance use prevention workforce and opioid use prevention. The meeting will also include updates on CSAP program developments.

The meeting will be held in Rockville, Maryland. Attendance by the public will be limited to the space available. Interested persons may present data, information, or views, orally or in writing, on issues pending before the Council. Written submissions should be forwarded to the contact person on or before one week prior to the meeting. Oral presentations from the public will be scheduled at the conclusion of the meeting. Individuals interested in making oral presentations should notify the contact on or before one week prior to the meeting. Five minutes maximum will be allotted for each presentation.

To attend onsite, submit written or brief oral comments, or request special accommodations for persons with disabilities, please register at the SAMHSA Committees' website, *http://nac.samhsa.gov/Registration/meetingsRegistration.aspx,* or communicate with the CSAP Council's Designated Federal Officer (see contact information below).

Substantive program information may be obtained after the meeting by accessing the SAMHSA Committee website, *http://nac.samhsa.gov/,* or by contacting the Designated Federal Officer.

Committee Name: Substance Abuse and Mental Health Services Administration, Center for Substance Abuse Prevention National Advisory Council.

Date/Time/Type: February 14, 2018, from 9:30 a.m. to 4:30 p.m. EST: (OPEN).

Place: SAMHSA, 5600 Fishers Lane, Room 5A02, Rockville, MD 20852, Adobe Connect webcast: *https://samhsa-csap.adobeconnect.com/nac/.*

Contact: Matthew J. Aumen, Designated Federal Officer, SAMHSA CSAP NAC, 5600 Fishers Lane, Rockville, MD 20852, Telephone: 240–276–2440, Fax: 301–480–8480, Email: *matthew.aumen@samhsa.hhs.gov.*

Carlos Castillo,

Committee Management Officer, SAMHSA.

[FR Doc. 2018–00369 Filed 1–10–18; 8:45 am]

BILLING CODE 4162–20–P

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[Docket No. FWS–HQ–IA–2017–0086; FXIA16710900000–178–FF09A30000]

Foreign Endangered and Threatened Species; Receipt of Permit Applications

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Notice of receipt of permit applications.

SUMMARY: We, the U.S. Fish and Wildlife Service, invite the public to comment on applications to conduct certain activities with foreign endangered and threatened species. With some exceptions, the Endangered Species Act prohibits activities with listed species unless Federal authorization is acquired that allows such activities. The ESA also requires that we invite public comment before issuing these permits.

DATES: We must receive comments by February 12, 2018.

ADDRESSES:

Document availability: The applications, as well as any comments and other materials that we receive, will be available for public inspection online in Docket No. FWS–HQ–IA–2017–0086 at *http://www.regulations.gov.*

Submitting comments: You may submit comments by one of the following methods:

• *Federal eRulemaking Portal: http://www.regulations.gov.* Search for Docket No. FWS–HQ–IA–2017–0086 and follow the instructions for submitting comments.

• *U.S. mail or hand-delivery:* Public Comments Processing, Attn: Docket No. FWS–HQ–IA–2017–0086; U.S. Fish and Wildlife Service, MS: BPHC; 5275 Leesburg Pike, Falls Church, VA 22041–3803.

When submitting comments, please include the name of the applicant and the PRT# at the beginning of your comment. We will post all comments on *http://www.regulations.gov.* This generally means that we will post any personal information you provide (see **SUPPLEMENTARY INFORMATION** for more information).

FOR FURTHER INFORMATION CONTACT: Joyce Russell, 703–358–2023.

SUPPLEMENTARY INFORMATION:

I. Public Comment Procedures

A. How do I comment on submitted applications?

You may submit your comments and materials by one of the methods listed under *Submitting Comments* in the **ADDRESSES** section. We will not consider comments sent by email or fax, or to an address not in the **ADDRESSES** section.

Please make your comments as specific as possible, confine your comments to issues for which we seek information as described in this notice, and explain the basis for your comments. Include sufficient information with your comments to allow us to authenticate any scientific or commercial data you include.

The comments and recommendations that will be most useful and likely to influence agency decisions are: (1) Those supported by quantitative information or studies; and (2) Those that include citations to, and analyses of, the applicable laws and regulations. We will not consider or include in our administrative record comments we receive after the close of the comment period (**DATES**) or comments delivered to an address other than those listed in **ADDRESSES**.

B. May I review comments submitted by others?

Comments, including names and street addresses of respondents, will be available for public review online at *http://www.regulations.gov* and at the street address in **ADDRESSES**. The public may review documents and other information applicants have sent in support of their applications unless our allowing such viewing would violate the Privacy Act (5 U.S.C. 552a) or the Freedom of Information Act (5 U.S.C. 552).

C. Who will see my comments?

If you submit a comment via *http://www.regulations.gov,* your entire comment, including any personal identifying information, will be posted on the website. If you submit a hardcopy comment that includes personal identifying information, such as your address, phone number, or email address, you may request at the top of your document that we withhold this information from public review. However, we cannot guarantee that we will be able to do so.

II. Background

To help us carry out our conservation responsibilities for affected species, and in consideration of section 10(a)(1)(A) of the Endangered Species Act of 1973, as amended (16 U.S.C. 1531 *et seq.;* ESA), along with Executive Order 13576, ''Delivering an Efficient, Effective, and Accountable Government,'' and the President's Memorandum for the Heads of Executive Departments and Agencies of January 21, 2009—Transparency and Open Government (74 FR 4685; Jan. 26, 2009), which call on all Federal agencies to promote openness and transparency in Government by disclosing information to the public, we invite public comment on these permit applications before final action is taken.

III. Permit Applications

We invite the public to comment on applications to conduct certain activities with endangered species. With some exceptions, the ESA prohibits activities with listed species unless Federal authorization is acquired that allows such activities.

Applicant: Smithsonian National Zoological Park, Washington, DC; PRT–007870

The applicant requests reissuance of their permit for scientific research with captive-born giant pandas (*Ailuropoda melanoleuca*) currently held under loan agreement with the Government of China and under the provisions of the Service Giant Panda Policy. The proposed research will cover all aspects of behavior, reproductive physiology, genetics, nutrition, and animal health, and will be continuation of activities currently in progress. This notification covers activities conducted by the applicant over a 5-year period.

Applicant: Dawn Carone, Swarthmore, PA; PRT–40245C

The applicant requests a permit to import biological samples from wild Sumatran orangutan (*Pongo abelii*) and western gorilla (*gorilla gorilla*) for scientific research. This notification is for a single import. This notification covers activities to be conducted by the applicant over a 1-year period.

Applicant: University of Georgia, College of Veterinary Medicine, Infectious Diseases Laboratory, Athens, GA; PRT–45805C

The applicant requests authorization to import tissue or blood samples of any avian species (class Aves), reptile species (class Reptilia), and fish (within the taxonomic phylum Chordata) from locations worldwide for the purpose of diagnostic testing for infectious diseases/scientific research. This notification covers activities to be conducted by the applicant over a 5-year period.

Applicant: Mr. Vincent Rose, American Crocodile Education Sanctuary, North Fort Meyers, FL; PRT–44876C

The applicant requests authorization to import the skull of an American crocodile (*Crocodylus acutus*) from Belize to enhance the propagation or survival of the species. This notification is for a single import.

Trophy Applicants

The following applicants each request a permit to import a sport-hunted trophy of a male bontebok (*Damaliscus pygargus pygargus*) culled from a captive herd maintained under the management program of the Republic of South Africa, for the purpose of enhancing the propagation or survival of the species.

Applicant: Michael Kincaid, Mukilteo, WA; PRT–53993C

Applicant: Tim Brown, Oregon City, OR; PRT–52676C

Applicant: Christopher O'Connor, Dumfries, VA; PRT–55019C

Applicant: Verne Williamson, Ashland, VA; PRT–46104C

Applicant: Edward Aston, San Juan Capistrano, CA PRT–54247C

Applicant: Benard Calvin Hendrick VII, Odessa, TX; PRT 55894C

Applicant: Kevin H. Young, Chehalis, WA; PRT–57502C

Applicant: William S. Montgomery Jr., Dallas, TX; PRT–58300C

IV. Next Steps

If the Service decides to issue permits to any of the applicants listed in this

notice, we will publish a notice in the **Federal Register**. You may locate the **Federal Register** notice announcing the permit issuance date by searching *regulations.gov* under the permit number listed in this document (*e.g.,* PRT–12345C).

V. Authority

The authority for this action is the Endangered Species Act of 1973 (16 U.S.C. 1531 *et seq.*).

Joyce Russell,

Government Information Specialist, Branch of Permits, Division of Management Authority.

[FR Doc. 2018–00321 Filed 1–10–18; 8:45 am]

BILLING CODE 4333–15–P

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[FWS–R8–ES–2017–N115; FRES48020810360–XXX]

Draft Habitat Conservation Plan for the California Department of Parks and Recreation Oceano Dunes District, San Luis Obispo County, California; Notice of Intent To Prepare Environmental Assessment or Environmental Impact Statement; Initiation of Public Scoping Process

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Notice of intent; request for comments.

SUMMARY: We, the U.S. Fish and Wildlife Service (Service), intend to prepare draft environmental analysis (either an environmental assessment or an environmental impact statement) under the National Environmental Policy Act (NEPA) for the proposed habitat conservation plan for the California Department of Parks and Recreation Oceano Dunes District (HCP). The HCP is a conservation plan as required under the Endangered Species Act of 1973, as amended (ESA), for issuance of an incidental take permit (ITP). The draft environmental analysis will evaluate the impacts of several alternatives related to the proposed issuance of an ITP to the California Department of Parks and Recreation Oceano Dunes District (CDPR, applicant) for incidental take of threatened and endangered wildlife species that could result from activities covered under the HCP. The HCP would also include conservation measures for endangered plants. We also are announcing the initiation of a public scoping process to engage Federal, Tribal, State, and local governments and the public in the identification of issues and concerns, potential impacts, and possible alternatives to the proposed action.

DATES: In order to be included in the analysis, all comments must be received or postmarked on or before March 12, 2018. We will hold public scoping meetings at a location in the vicinity of the proposed plan area. At least one week prior to the meeting dates, we will announce exact meeting locations, dates, and times in local newspapers and on the internet at *https://www.fws.gov/ventura/.*

ADDRESSES: Please provide comments in writing by one of the following methods:

- *Email: lena_chang@fws.gov.* Please include Oceano Dunes HCP in the subject line of the message.
- *Facsimile:* 805–644–3958, Attn: Oceano Dunes HCP.
- *U.S. Mail:* Field Supervisor, Ventura Fish and Wildlife Office, U.S. Fish and Wildlife Service, 2493 Portola Road, Suite B, Ventura, CA 93003. Please specify that your information request or comments concern the Oceano Dunes HCP.

FOR FURTHER INFORMATION CONTACT: Lena Chang, by U.S. mail (see **ADDRESSES**), or by phone at 805–677–3305. If you use a telecommunications device for the deaf, please call the Federal Relay Service at 800–877–8339.

SUPPLEMENTARY INFORMATION: We, the U.S. Fish and Wildlife Service (Service), intend to prepare an environmental analysis under the National Environmental Policy Act, as amended (42 U.S.C. 4321 *et seq.;* NEPA), for the proposed habitat conservation plan (HCP) for the California Department of Parks and Recreation Oceano Dunes District. The HCP is a conservation plan as required under the Endangered Species Act of 1973, as amended (16 U.S.C. 1531 *et seq.;* ESA), for issuance of a section 10(a)(1)(B) incidental take permit (ITP). The proposed ITP would authorize the incidental take of threatened and endangered wildlife species that could result from ongoing activities associated with the public use, recreation management, natural resources management, and park and beach management in two coastal Oceano Dunes District park units and an associated inland lake located in San Luis Obispo County, California. The HCP would also include conservation measures to protect endangered plant species. We also are announcing the initiation of a public scoping process to engage Federal, Tribal, State, and local governments and the public in the identification of issues and concerns, potential impacts, and possible alternatives to the proposed action. Upon completion of the public scoping process and completion of our review of the applicant's proposed HCP, we may determine that an environmental assessment rather than an environmental impact statement is sufficient to support potential issuance of the ITP.

Background

Section 9 of the ESA and its implementing regulations prohibit ''take'' of fish and wildlife species listed as endangered or threatened (16 U.S.C. 1538; 50 CFR 17.21 and 17.31). Under section 3 of the ESA, the term ''take'' means to harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect, or to attempt to engage in any such conduct (16 U.S.C. 1532(19)). The term ''harm'' is further defined by regulation as an act that actually kills or injures wildlife. Such acts may include significant habitat modification or degradation where it actually kills or injures wildlife by significantly impairing essential behavioral patterns, including breeding, feeding, or sheltering (50 CFR 17.3). The term ''harass'' is also further defined in the regulations as an intentional or negligent act or omission that creates the likelihood of injury to wildlife by annoying it to such an extent as to significantly disrupt normal behavioral patterns, which include, but are not limited to, breeding, feeding, or sheltering (50 CFR 17.3).

Under section 10(a)(1)(B) of the ESA, the Secretary of the Interior may authorize the taking of federally listed species if such taking occurs incidental to otherwise legal activities and where a conservation plan has been developed under section 10(a)(2)(A) that describes: (1) The impact that will likely result from such taking; (2) the steps an applicant will take to minimize and mitigate that take to the maximum extent practicable and the funding that will be available to implement such steps; (3) the alternative actions to such taking that an applicant considered and the reasons why such alternatives are not being utilized; and (4) other measures that the Service may require as being necessary or appropriate for the purposes of the plan. Issuance criteria under section 10(a)(2)(B) for an incidental take permit require the Service to find that: (1) The taking will be incidental to otherwise lawful activities; (2) an applicant will, to the maximum extent practicable, minimize and mitigate the impacts of such taking; (3) an applicant has ensured that adequate funding for the plan will be

provided; (4) the taking will not appreciably reduce the likelihood of the survival and recovery of the species in the wild; and (5) the measures, if any, we require as necessary or appropriate for the purposes of the plan will be met. Regulations governing permits for endangered and threatened species are at 50 CFR 17.22 and 17.32, respectively.

Public Scoping

A primary purpose of the scoping process is to receive suggestions and information on the scope of issues and alternatives to consider when drafting the environmental documents and to identify significant issues and reasonable alternatives related to the Service's proposed action (issuance of an ITP under the HCP). In order to ensure that we identify a range of issues and alternatives related to the proposed action, we invite comments and suggestions from all interested parties. We will conduct a review of this project according to the requirements of NEPA and its regulations, other relevant Federal laws, regulations, policies, and guidance, and our procedures for compliance with applicable regulations. Once the environmental documents are completed, we will offer further opportunities for public comment.

Proposed Action

The proposed action is the issuance of an incidental take permit (ITP) for the covered species for the recreational and management activities within the proposed permit area for a period of 25 years. The proposed HCP, which must meet the requirements of section 10(a)(2)(A) of the ESA by providing measures to minimize and mitigate the effects of the potential incidental take of covered species to the maximum extent practicable, would be developed and implemented by the applicant. This alternative could allow for a comprehensive mitigation approach for unavoidable impacts and reduce permit processing times and efforts for the applicant and the Service.

Activities proposed for coverage under the proposed ITP would be otherwise lawful activities that could occur consistent with the HCP, include, but are not limited to:

1. Park Visitor Activities: Motorized recreation, including off highway vehicle use (*i.e.,* 4x4, all-terrain vehicle, quad, motorcycle, and sandrail); camping; pedestrian activities including picnicking, sunbathing, swimming, hiking; bicycling and golfing; fishing; dog walking (on leash only); equestrian recreation; boating/surfing; and aerial/wind driven activities, including kiteboarding; and holiday or special events.

2. Natural Resources and Covered Species Management: Management for bird species (habitat protections, habitat enhancement, monitoring, banding, tracking, predator control, and other ongoing programs, salvaging abandoned eggs and chicks; fish surveys; amphibian surveys and associated management; plant monitoring, propagation, and habitat enhancement; habitat restoration program, including seed collection, propagation, planting, monitoring, and minor grading to access work areas; exotic pest plant and animal control, including prescribed fire, herbicide application, and hand clearing of paths to access work areas; Habitat Monitoring System implementation, including small mammal trapping, point counts, shorebird counts, and coverboards; and water quality monitoring and improvement projects.

3. Park Maintenance: Campground maintenance, including mowing, hazardous tree program, restroom upkeep, and housekeeping; general facilities maintenance; trash control; wind fence installation, maintenance, and removal; sand ramp and other vehicular access maintenance, including roadway resurfacing; street sweeping; routine riparian maintenance; spillway and culvert maintenance; vegetation management along trails and roads; emergent vegetation control; minor flood control maintenance; perimeter and vegetation island fence installation, maintenance, and removal; cable fence maintenance and sand movement; heavy equipment response in all areas of Oceano Dunes State Vehicular Recreation Area; minor grading (less than 50 cubic yards); and boardwalk and other pedestrian access maintenance.

4. Visitor Services: Ranger, lifeguard, and park aide patrols; emergency response, including accidents, injuries, distressed vessels, search and rescue; access by non-CDPR vehicles; American Safety Institute courses, including all-terrain vehicles and recreational utility vehicle courses; concessions; Pismo Beach Golf Course operations; Grover Beach Lodge and Conference Center; natural history and interpretation programs, including stationary programs, roving interpretation, interpretive walks, and driving tours.

5. Other HCP Covered Activities: Motorized vehicle crossing of Arroyo Grande Creek; Pismo Creek estuary seasonal (floating) bridge; recreational riding in 40 acres; replacement of the Safety and Education Center; dust control activities; cultural resources management; management of agricultural lands; maintenance of bioreactor on agricultural lands; Oso Flaco Lake causeway culvert replacement; special projects; and reduction of the Boneyard and 6 exclosures.

We anticipate that the following 10 Federal and State listed species will be included as covered species in the applicant's proposed HCP. *The applicant is seeking incidental take authorization for the four covered animal species.

Federally Endangered: *California least tern (*Sternula antillarum browni*), *tidewater goby (*Eucyclogobius newberryi*), Gambel's watercress (*Rorippa gambelii*), La Graciosa thistle (*Cirsium scariosum* var. *loncholepis*), marsh sandwort (*Arenaria paludicola*), Nipomo Mesa lupine (*Lupinus nipomensis*)

Federally Threatened: *western snowy plover (*Charadrius nivosus nivosus*), *California red-legged frog (*Rana draytonii*)

Not Federally Listed: surf thistle (*Cirsium rhothophilum*), beach spectaclepod (*Dithyrea maritime*)

Candidate and federally listed species not likely to be taken by the covered activities and therefore not covered by the proposed ITP may also be addressed in the proposed HCP to explain why the applicant believes these species will not be taken.

Other Alternatives

The proposed action presented in the environmental analysis will be compared to the no-action alternative. The no-action alternative compares estimated future conditions without implementation of the proposed HCP to the estimated future conditions with the HCP in place. The no action and one other alternative, including their potential impacts, will be addressed and are outlined below.

No-Action Alternative

Because the proposed covered activities are integral to CDPR's operational mission, these activities would continue regardless of whether this 10(a)(1)(B) ITP is issued. Without a 10(a)(1)(B) ITP, the applicant should avoid impacts to protected species' habitat. Where potential impacts to federally protected species within the proposed permit area could not be avoided, the applicant should seek an individual section 10(a)(1)(B) ITP on a project-by-project basis. Although future activities by the applicant would be similar to those covered by the HCP, not all activities would necessitate an incidental take permit. Thus, under the no-action alternative, the applicant

would likely have to file numerous separate section 10(a)(1)(B) permit applications over the 25-year project period. This activity-by-activity approach would be more time consuming and less efficient than authorizing activities under this comprehensive incidental take permit, and could result in a fragmented mitigation approach.

Proposed Action Without Reduction of Exclosure Boundaries

This alternative is the proposed action without reductions in exclosure boundaries in the Boneyard and 6 exclosure areas. With this alternative, the boundaries of the Boneyard and 6 exclosures would not be reduced in size to increase areas for recreation. Off highway vehicle and camping opportunities in this area would remain as they are under the current management program.

Public Availability of Comments

Written comments we receive become part of the public record associated with this action. Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that the entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so. Comments and materials we receive, as well as supporting documentation we use in preparing the environmental analysis, will be available for public inspection, by appointment, during normal business hours at the Service's Ventura Fish and Wildlife Office in Ventura, California (see **ADDRESSES**, above).

Scoping Meetings

See **DATES** for the date and times of our public meetings. The purpose of scoping meetings is to provide the public with a general understanding of the background of the proposed HCP and activities it would cover, alternative proposals under consideration, and the Service's role and steps to be taken to develop the draft environmental analysis for the proposed HCP.

Additionally, the purpose of these meetings and public comment period is to solicit suggestions and information on the scope of issues and alternatives for the Service to consider when preparing the draft environmental documents. Oral and written comments will be accepted at the meetings. Comments can also be submitted by methods listed in the **ADDRESSES** section. Once the draft environmental documents and proposed HCP are complete and made available for review, there will be additional opportunity for public comment on the content of these documents through an additional comment period.

Meeting Location Accommodations

Please note that the meeting location will be accessible to wheelchair users. If you require additional accommodations, please notify us at least 1 week in advance of the meeting.

Authority

We publish this notice in compliance with the NEPA and its implementing regulations (40 CFR 1501.7, 1506.6, and 1508.22), and section 10(c) of the ESA.

Dated: December 28, 2017.

Stephen P. Henry,

Field Supervisor, Pacific Southwest Region, U.S. Fish and Wildlife Service.

[FR Doc. 2017–28489 Filed 1–10–18; 8:45 am]

BILLING CODE 4333–15–P

DEPARTMENT OF THE INTERIOR

U.S. Geological Survey

[GX17RB00CMFCA00; OMB Control Number 1028–New]

Agency Information Collection Activities; Submission to the Office of Management and Budget for Review and Approval; Current and Future Landsat User Requirements

AGENCY: U.S. Geological Survey (USGS), Interior.

ACTION: Notice of information collection; request for comment.

SUMMARY: We (the USGS) will ask the Office of Management and Budget (OMB) to approve the information collection (IC) described below. As required by the Paperwork Reduction Act (PRA) of 1995, and as part of our continuing efforts to reduce paperwork and respondent burden, we invite the general public and other Federal agencies to take this opportunity to comment on this IC.

DATES: To ensure that your comments are considered, we must receive them on or before February 12, 2018.

ADDRESSES: Send written comments on this information collection request (ICR) to the Office of Management and Budget's Desk Officer for the Department of the Interior by email at *OIRA_Submission@omb.eop.gov;* or via facsimile to (202) 395–5806. Please provide a copy of your comments to USGS, Information Collections Clearance Officer, 12201 Sunrise Valley Drive, MS 159, Reston, VA 20192; or by email to *gs-info_collections@usgs.gov.* Please reference OMB Control Number 1028–NEW in the subject line of your comments.

FOR FURTHER INFORMATION CONTACT: Rudy Schuster, Branch Chief, at (970) 226–9230 or *schusterr@usgs.gov.*

SUPPLEMENTARY INFORMATION: We, the U.S.G.S., in accordance with the Paperwork Reduction Act of 1995, provide the general public and other Federal agencies with an opportunity to comment on proposed, revised, and continuing collections of information. This helps us assess the impact of our information collection requirements and minimize the public's reporting burden. It also helps the public understand our information collection requirements and provide the requested data in the desired format.

A **Federal Register** notice with a 60-day public comment period soliciting comments on this collection of information was published on June 19, 2017, 82 FR 27867. No comments were received.

We are again soliciting comments on the proposed IC that is described below. We are especially interested in public comment addressing the following issues: (1) Is the collection necessary to the proper functions of the USGS; (2) will this information be processed and used in a timely manner; (3) is the estimate of burden accurate; (4) how might the USGS enhance the quality, utility, and clarity of the information to be collected; and (5) how might the USGS minimize the burden of this collection on the respondents, including through the use of information technology.

Comments that you submit in response to this notice are a matter of public record. Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you may ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Abstract: The USGS Land Remote Sensing (LRS) Program is currently planning for the next generation of Landsat satellites. These satellites will continue the multi-decadal continuous collection of moderate-resolution,

multispectral, remotely-sensed imagery through the Landsat program. Landsat satellite imagery has been available at no cost to the public since 2008, which has resulted in the distribution of millions of scenes each subsequent year, as well tens of thousands of Landsat users registering with USGS to access the data. In order to continue to provide high quality imagery that meets the needs of users, LRS is collecting current and future user requirements for sensor and satellite attributes. These attributes include spatial resolution, spectral bands, frequency of acquisition, and many others. LRS will use the information from this collection to understand if they are currently meeting the needs of their user community and to help determine the features of future Landsat satellites. Questions will be asked to determine user characteristics, current uses of imagery, preferred attributes of Landsat imagery, and benefits of Landsat imagery. All current U.S. Landsat imagery users who are registered with USGS will be invited to take part in the survey and a large sample of international Landsat users will also be invited.

To protect the confidentiality and privacy of survey respondents, the data from the survey will not be associated with any respondent's email address at any time and will only be analyzed and reported in aggregate. All files containing PII will be password-protected, housed on secure USGS servers, and only accessible to the research team. The data from the survey will be aggregated and statistically analyzed and the results will be published in publically available USGS reports.

OMB Control Number: 1028–NEW.

Title: Current and Future Landsat User Requirements.

Type of Request: New information collection.

Respondent Obligation: None. Participation is voluntary.

Frequency of Collection: One time only.

Description of Respondents: General public.

Estimated Total Number of Annual Responses: 11,660

Estimated Time per Response: We estimate that it will take 20 minutes per person to complete the full survey and 5 minutes per person to complete the non-response survey.

Estimated Annual Burden Hours: 3,335

Estimated Annual Reporting and Recordkeeping ''Non-Hour Cost'': There are no ''non-hour cost'' burdens associated with this collection of information.

Public Disclosure Statement: The PRA (44 U.S.C. 3501, *et seq.*) provides that an agency may not conduct or sponsor and you are not required to respond to a collection of information unless it displays a currently valid OMB control number. Until the OMB approves a collection of information, you are not obliged to respond.

The authority for this action is the Paperwork Reduction Act of 1995 (44 U.S.C. 3501, *et seq.*).

Timothy Newman,

Land Remote Sensing Program Coordinator.

[FR Doc. 2018–00351 Filed 1–10–18; 8:45 am]

BILLING CODE 4311–AM–P

JUDICIAL CONFERENCE OF THE UNITED STATES

Hearings of the Judicial Conference Advisory Committee on the Federal Rules of Bankruptcy Procedure

AGENCY: Advisory Committee on the Federal Rules of Bankruptcy Procedure, Judicial Conference of the United States.

ACTION: Notice of cancellation of public hearing.

SUMMARY: The following public hearing on proposed amendments to the Federal Rules of Bankruptcy Procedure has been canceled: Bankruptcy Rules Hearing on January 30, 2018, in Pasadena, CA.

FOR FURTHER INFORMATION CONTACT: Rebecca A. Womeldorf, Rules Committee Secretary, Rules Committee Staff, Administrative Office of the United States Courts, Washington, DC 20544, telephone (202) 502–1820.

SUPPLEMENTARY INFORMATION: Announcement for this hearing was previously published in 82 FR 37610.

Dated: January 8, 2018.

Rebecca A. Womeldorf,

Rules Committee Secretary.

[FR Doc. 2018–00385 Filed 1–10–18; 8:45 am]

BILLING CODE 2210–55–P

NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50–361 and 50–362; NRC–2018–0003]

Southern California Edison Company, San Onofre Nuclear Generating Station, Units 2 and 3

AGENCY: Nuclear Regulatory Commission.

ACTION: Exemption; issuance.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) is issuing an exemption from certain power reactor financial protection requirements in response to a September 16, 2015, request from the Southern California Edison Company (the licensee). The exemption would permit the San Onofre Nuclear Generating Station, Units 2 and 3 (SONGS), to reduce the required level of primary financial protection from $450 million to $100 million, as well as to withdraw from participation in the secondary layer of financial protection effective immediately.

ADDRESSES: Please refer to Docket ID NRC–2018–0003 when contacting the NRC about the availability of information regarding this document. You may obtain publicly-available information related to this document using any of the following methods:

- *Federal Rulemaking website:* Go to *http://www.regulations.gov* and search for Docket ID NRC–2018–0003. Address questions about NRC dockets to Carol Gallagher; telephone: 301–415–3463; email: *Carol.Gallagher@nrc.gov.* For technical questions, contact the individual listed in the **FOR FURTHER INFORMATION CONTACT** section of this document.
- *NRC's Agencywide Documents Access and Management System (ADAMS):* You may obtain publicly available documents online in the ADAMS Public Documents collection at *http://www.nrc.gov/reading-rm/adams.html.* To begin the search, select ''*ADAMS Public Documents*'' and then select ''*Begin Web-based ADAMS Search.*'' For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1–800–397–4209, 301–415–4737, or by email to *pdr.resource@nrc.gov.* The ADAMS accession number for each document referenced (if it is available in ADAMS) is provided the first time that it is mentioned in this document.
- *NRC's PDR:* You may examine and purchase copies of public documents at the NRC's PDR, Room O1–F21, One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852.

FOR FURTHER INFORMATION CONTACT: Marlayna Vaaler, Office of Nuclear Material Safety and Safeguards; U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001; telephone: 301–415–3178; email: *Marlayna.Vaaler@nrc.gov.*

SUPPLEMENTARY INFORMATION:

I. Background

The San Onofre Nuclear Generating Station, Units 1, 2, and 3 (SONGS), operated by the Southern California Edison Company (SCE) is located approximately 4 miles south of San

Clemente, California. The SONGS, Unit 1, Docket No. 50–206, was a Westinghouse 456 megawatt electric (MWe) pressurized water reactor which was granted Facility Operating License No. DPR–13 on January 1, 1968 (ADAMS Accession No. ML13309A138), and ceased operation on November 30, 1992 (ADAMS Accession No. ML13319B040). The licensee completed defueling on March 6, 1993 (ADAMS Accession No. ML13319B055), and maintained the unit in SAFSTOR until June 1999, when it initiated decommissioning (ADAMS Accession No. ML13319B111). On December 28, 1993 (ADAMS Accession No. ML13319B059), the NRC approved the Permanently Defueled Technical Specifications for SONGS, Unit 1.

The SCE submitted the proposed Decommissioning Plan for SONGS, Unit 1, on November 3, 1994 (ADAMS Accession No. ML13319B073). As a result of the 1996 revision to the regulations in section 50.82 of title 10 of the *Code of Federal Regulations* (10 CFR), the NRC replaced the requirement for a decommissioning plan with a requirement for a Post Shutdown Decommissioning Activities Report (PSDAR). On August 28, 1996, the SONGS, Unit 1, Decommissioning Plan became the SONGS 1 PSDAR (61 FR 67079; December 19, 1996). On December 15, 1998 (ADAMS Accession No. ML13184A353), SCE submitted an update to the PSDAR to the NRC, as required by 10 CFR 50.82(a)(7), in order to begin planning for the dismantlement and decommissioning of SONGS, Unit 1. The SONGS, Unit 1, received approval for an exemption from the financial protection requirements under 10 CFR part 140 and 10 CFR 50.54(w), similar to what is being requested for SONGS, Units 2 and 3, on May 4, 1994.

The SONGS, Units 2 and 3, Docket Nos. 50–361 and 50–362, are Combustion Engineering 1127 MWe pressurized water reactors, which were granted Facility Operating Licenses NPF–10 on February 16, 1982, and NPF–15 on November 15, 1982, respectively. In June 2013, pursuant to 10 CFR 50.82(a)(1)(i), the licensee certified to the NRC that as of June 4, 2013, operations had ceased at SONGS, Units 2 and 3 (ADAMS Accession No. ML131640201). The licensee subsequently certified, pursuant to 10 CFR 50.82(a)(1)(ii), that all fuel had been removed from the reactor vessels of both units, and committed to maintaining the units in a permanently defueled status (ADAMS Accession Nos. ML13204A304 and ML13183A391 for Unit 2 and Unit 3, respectively). Therefore, pursuant to 10 CFR 50.82(a)(2), SCE's 10 CFR part 50 licenses no longer authorize operation of SONGS Units 2 and 3, or emplacement or retention of fuel in the reactor vessels. The licensee is still authorized to possess and store irradiated nuclear fuel. Irradiated fuel is currently being stored onsite in spent fuel pools (SFPs) and in dry casks at an Independent Spent Fuel Storage Installation (ISFSI).

The PSDAR for SONGS, Units 2 and 3, was submitted on September 23, 2014 (ADAMS Accession No. ML14272A121), and the associated public meeting was held on October 27, 2014, in Carlsbad, California (ADAMS Accession No. ML14352A063). The NRC confirmed its review of the SONGS, Units 2 and 3, PSDAR and addressed public comments in a letter dated August 20, 2015 (ADAMS Accession No. ML15204A383). On July 17, 2015, the NRC approved the Permanently Defueled Technical Specifications for SONGS, Units 2 and 3 (ADAMS Accession No. ML15139A390).

II. Request/Action

Pursuant to 10 CFR 140.8, ''Specific exemptions,'' SCE requested an exemption from 10 CFR 140.11(a)(4), by letter dated September 16, 2015 (ADAMS Accession No. ML15260B188). The exemption from 10 CFR 140.11(a)(4) would permit the licensee to reduce the required level of primary offsite liability insurance from $450 million to $100 million, and would allow SCE to withdraw from participation in the secondary layer of financial protection (also known as the industry retrospective rating plan). The request to eliminate the requirement to carry secondary financial protection is for SONGS, Units 2 and 3, only. The NRC previously granted an exemption for SONGS, Unit 1, from the requirements of 10 CFR 140.11(a)(4), which permitted SCE's withdrawal from participation in the industry retrospective rating plan in 1994 (Legacy ADAMS Accession No. 9405090151).

The regulation at 10 CFR 140.11(a)(4) requires each licensee to have and maintain primary financial protection in an amount of $450 million. In addition, the licensee is required to participate in an industry retrospective rating plan (secondary financial protection) that commits each licensee to pay into an insurance pool to be used for damages that may exceed primary insurance coverage. Participation in the industry retrospective rating plan will subject SCE to deferred premium charges up to a maximum total deferred premium of $121,255,000 with respect to any nuclear incident at any operating nuclear power plant, and up to a maximum annual deferred premium of $18,963,000 per incident.

The licensee states that the risk of an offsite radiological release is significantly lower at a nuclear power reactor that has permanently shut down and defueled, when compared to an operating power reactor. Similarly, the associated risk of offsite liability damages that would require insurance or indemnification is commensurately lower for permanently shut down and defueled plants. Therefore, SCE is requesting an exemption from 10 CFR 140.11(a)(4), to permit a reduction in primary offsite liability insurance and to withdraw from participation in the industry retrospective rating plan.

III. Discussion

Pursuant to 10 CFR 140.8, the Commission may, upon application by any interested person or upon its own initiative, grant exemptions from the requirements of 10 CFR part 140, when the exemptions are authorized by law and are otherwise in the public interest.

The Price-Anderson Act of 1957 (PAA) requires that nuclear power reactor licensees have insurance to compensate the public for damages arising from a nuclear incident. Specifically, the PAA requires licensees of facilities with a ''rated capacity of 100,000 electrical kilowatts or more'' to maintain the maximum amount of primary financial protection that is commercially available (currently, $450 million) with access to the aggregate amount of secondary financial protection available to the industry (currently, up to $121,255,000 per reactor covered by the rating plan totaling approximately $13 billion for the industry per incident). The NRC's regulations at 10 CFR 140.11(a)(4) implement these PAA requirements and set forth the amount of primary and secondary financial protection that each power reactor licensee must have.

As noted above, the PAA requirements with respect to primary and secondary financial protection, and the implementing regulations at 10 CFR 140.11(a)(4), apply to licensees of facilities with a ''rated capacity of 100,000 electrical kilowatts or more.'' When the NRC issues a license amendment to a decommissioning licensee to reflect the defueled status of the facility, the license amendment includes removal of the rated capacity of the reactor from the license. Accordingly, a reactor that is undergoing decommissioning has no ''rated capacity.'' Removal of the rated capacity from the facility of a

decommissioning licensee, thus, allows the NRC to take the reactor licensee out of the category of reactor licensees that are required to maintain the maximum available insurance and to participate in the industry retrospective rating plan under the PAA, subject to a technical finding that lesser potential hazards exist at the facility after termination of operations.

The financial protection limits of 10 CFR 140.11(a)(4) were established to require a licensee to maintain sufficient financial protection, as specified under the PAA, to satisfy liability claims by members of the public for personal injury, property damage, and the legal cost associated with lawsuits, as the result of a nuclear incident at an operating reactor with a rated capacity of 100,000 electric kilowatts (or greater). Thus, the financial protection levels established by this regulation, and as required by the PAA, were associated with the risks and potential consequences of an incident at an operating reactor with a rated capacity of 100,000 electric kilowatts (or greater). The legal and associated technical basis for granting exemptions from 10 CFR part 140 is set forth in SECY–93–127. The legal analysis underlying SECY–93–127 concluded that, upon a technical finding that lesser potential hazards exist after termination of operations (and removal of the rated capacity), the Commission has the discretion under the PAA to reduce the amount of insurance required of a licensee undergoing decommissioning.

As a technical matter, the fact that a reactor has permanently ceased operations is not itself determinative as to whether a licensee may cease providing the offsite financial protection coverage required by the PAA and 10 CFR 140.11(a)(4). In light of the presence of freshly discharged irradiated fuel in the spent fuel pool at a recently shutdown reactor, the primary consideration is the risk and potential consequence of an offsite radiological release from a zirconium fire. That risk generally remains the greatest for a period of about 15 to 18 months of decay time for the fuel used in the last cycle of power operation. After that time, the offsite consequences of an offsite radiological release from a zirconium fire are negligible for shutdown reactors, but the SFP is still operational and an inventory of radioactive materials still exists onsite. Therefore, an evaluation of the potential for offsite damage is necessary to determine the appropriate level of offsite insurance post shutdown, in accordance with the Commission's discretionary authority under the PAA to establish an appropriate level of required financial protection for such shutdown facilities.

The NRC staff has conducted an evaluation and concluded that, aside from the handling, storage, and transportation of spent fuel and radioactive materials for a permanently shut down and defueled reactor, no reasonably conceivable potential incident exists that could cause significant offsite damage. During normal power reactor operations, the forced flow of water through the reactor coolant system (RCS) removes heat generated by the reactor. The RCS, operating at high temperatures and pressures, transfers this heat through the steam generator tubes converting non-radioactive feedwater to steam, which then flows to the main turbine generator to produce electricity. Many of the accident scenarios postulated for operating power reactors involve failures or malfunctions of systems that could affect the fuel in the reactor core, which in the most severe postulated accidents, would involve the release of large quantities of fission products. With the permanent cessation of reactor operations at SONGS and the permanent removal of the fuel from the reactor cores, such accidents are no longer possible. The reactors, RCS, and supporting systems no longer operate and have no function related to the storage of the irradiated fuel. Therefore, postulated accidents involving failure or malfunction of the reactors, RCS, or supporting systems are no longer applicable.

As described in the PSDAR, SONGS, Unit 1, is being returned to a condition suitable for unrestricted use. According to SCE, there are no structures, systems, or components (SSCs) classified as safety-related remaining at SONGS, Unit 1. Plant dismantlement is complete and nearly all of the SSCs have been shipped offsite for disposal. Only the spent fuel, reactor vessel, and the below-grade portions of some buildings remain onsite. The principal remaining decommissioning activities are soil remediation, compaction, and grading. This is to be completed in conjunction with the future decommissioning of the ISFSI subsequent to offsite shipment of the spent fuel.

The licensee also stated that decommissioning of SONGS, Units 2 and 3, has begun and the nuclear reactors and essentially all associated SSCs in the nuclear steam supply system and balance of plant that supported the generation of power have been retired in place and are being prepared for removal. The SSCs that remain operable are associated with the SFPs and the spent fuel building, are needed to meet other regulatory requirements, or are needed to support other site facilities (*e.g.,* radioactive waste handling, ventilation and air conditioning, etc.). No remaining active SSCs are classified as safety-related.

During reactor decommissioning, the principal radiological risks are associated with the storage of spent fuel onsite. In addition, a site with a permanently shutdown and defueled reactor may contain an inventory of radioactive liquids, activated reactor components, and contaminated materials. For purposes of modifying the amount of financial protection maintained by a permanently shutdown and defueled reactor licensee, the potential radiological consequences of these non-operating reactor nuclear incidents are appropriate to consider, despite their very low probability of occurrence. On a case-by-case basis, licensees undergoing decommissioning have been granted permission to reduce the required amount of primary offsite financial protection from $450 million to $100 million, and to withdraw from the industry retrospective rating plan.[1] One of the technical criteria for granting the exemption is elimination of the possibility of a design-basis event that could cause significant offsite damage.

In its September 16, 2015, exemption request, SCE discusses both design-basis and beyond design-basis events involving irradiated fuel stored in the SFPs. The staff independently evaluated the offsite consequences associated with various decommissioning activities, design basis accidents, and beyond design basis accidents at SONGS, in consideration of its permanently shut down and defueled status. The possible design-basis and beyond design basis accident scenarios at SONGS show that the radiological consequences of these accidents are greatly reduced at a permanently shut down and defueled reactor, in comparison to a fueled reactor. Further, the staff has used the offsite radiological release limits established by the U.S. Environmental Protection Agency (EPA) early-phase Protective Action Guidelines (PAGs) of one roentgen equivalent man (rem) at the exclusion area boundary in determining that any possible radiological releases would be minimal and would not require precautionary protective actions (*e.g.,* sheltering in place or evacuation), which could result in offsite liability.

[1] See Memorandum from William D. Travers, Executive Director for Operations, to the Commission, dated August 16, 2002 (ADAMS Accession No. ML030550706).

The only beyond design-basis event that has the potential to a significant radiological release at a decommissioning reactor is a zirconium fire. The zirconium fire scenario is a postulated, but highly unlikely, beyond design-basis accident scenario that involves loss of water inventory from the SFP, resulting in a significant heat-up of the spent fuel, and culminating in substantial zirconium cladding oxidation and fuel damage. The probability of a zirconium fire scenario is related to the decay heat of the irradiated fuel stored in the SFP. Therefore, the risks from a zirconium fire scenario continue to decrease as a function of the time that SONGS has been permanently shut down.

The licensee provided a detailed analysis of the events that could result in an offsite radiological release at SONGS in its March 31, 2014, submittal to the NRC (ADAMS Accession No. ML14092A332), as supplemented by letters dated September 9, October 2, October 7, October 27, November 3, and December 15, 2014 (ADAMS Accession Nos. ML14258A003, ML14280A265, ML14287A228, ML14303A257, ML14309A195, and ML14351A078, respectively). One of these beyond design-basis accidents involves a complete loss of SFP water inventory, where cooling of the spent fuel would be primarily accomplished by natural circulation of air through the uncovered spent fuel assemblies. The licensee's analysis of this accident shows that by August 31, 2014, air-cooling of the spent fuel assemblies will be sufficient to keep the fuel within a safe temperature range indefinitely without fuel cladding damage or offsite radiological release. The NRC staff has confirmed the reduced risks at SONGS by comparing the generic risk assumptions in the analyses in NUREG–1738, ''Technical Study of Spent Fuel Pool Accident Risk at Decommissioning Nuclear Power Plants,'' dated February 28, 2001 (ADAMS Accession No. ML010430066) to site-specific conditions at SONGS; based on this assessment, the staff determined that the risk values in NUREG–1738 bound the risks presented by SONGS.

The Commission has previously authorized a lesser amount of financial protection, based on an analysis of the zirconium fire risk. In SECY–93–127, ''Financial Protection Required of Licensees of Large Nuclear Power Plants during Decommissioning,'' dated May 10, 1993 (ADAMS Accession No. ML12257A628), the staff outlined a policy for reducing required liability insurance coverage for decommissioning reactors, and concluded that there was a low likelihood and reduced short-term public health consequences of a zirconium fire once a decommissioning plant's spent fuel has sufficiently decayed. The discussions in SECY–93–127 centered primarily on the public health and safety risks associated with storing fuel in spent fuel pools. In its Staff Requirements Memorandum dated July 13, 1993 (ADAMS Accession No. ML003760936), the Commission approved a policy that would permit reductions in financial protection, when a licensee was able to demonstrate that the spent fuel could be air-cooled if the SFP was drained of water.

Upon demonstration of this technical criterion, the Commission policy allowed decommissioning licensees to withdraw from participation in the industry retrospective rating plan, and permitted reductions in the required amount of primary financial protection from $450 million to $100 million. The staff has used this technical criterion to grant similar exemptions to other decommissioning reactor licensees (*e.g.,* Maine Yankee Atomic Power Station, published in the **Federal Register** on January 19, 1999 (64 FR 2920); and Zion Nuclear Power Station, published in the **Federal Register** on December 28, 1999 (64 FR 72700)). Additional discussions of other decommissioning reactor licensees that have received exemptions to reduce their primary insurance level to $100 million is provided in SECY–96–256, ''Changes to Financial Protection Requirements for Permanently Shutdown Nuclear Power Reactors, 10 CFR 50.54(w)(1) and 10 CFR 140.11,'' dated December 17, 1996 (ADAMS Accession No. ML15062A483). These prior exemptions were based on the licensee demonstrating that the SFP could be air-cooled, consistent with the technical criterion discussed above.

In SECY–00–0145, ''Integrated Rulemaking Plan for Nuclear Power Plant Decommissioning,'' dated June 28, 2000, and SECY–01–0100, ''Policy Issues Related to Safeguards, Insurance, and Emergency Preparedness Regulations at Decommissioning Nuclear Power Plants Storing Fuel in the Spent Fuel Pool,'' dated June 4, 2001 (ADAMS Accession Nos. ML003721626 and ML011450420, respectively), the staff discussed additional information concerning SFP zirconium fire risks at decommissioning reactors and associated implications for offsite insurance. Analyzing when the spent fuel stored in the SFP is capable of air-cooling is one measure that demonstrates when the probability of a zirconium fire would be exceedingly low. However, the staff has more recently used an additional analysis that would bound an incomplete drain down of the SFP water, or some other catastrophic event (such as a complete drainage of the SFP with rearrangement of spent fuel rack geometry and/or the addition of rubble to the SFP). The analysis postulates that decay heat transfer from the spent fuel via conduction, convection, or radiation would be impeded. This analysis is often referred to as an adiabatic heat-up analysis.

The licensee's analyses referenced in its exemption request demonstrates that under conditions where the SFP water inventory has drained completely and only air-cooling of the stored irradiated fuel is available, after August 2014 air-cooling of the spent fuel assemblies will be sufficient to keep the fuel within a safe temperature range indefinitely without fuel cladding damage or offsite radiological release. However, a portion of the air-cooling analyses credits operation of the normal fuel building ventilation systems because the fuel building structures are robust and offer little potential for natural air exchange with the environment for cooling. Because the normal fuel building ventilation could become unavailable during an initiating event that would lead to complete SFP drainage (*i.e.,* a seismic event), the NRC staff also relied upon the additional time that the fuel in the SONGS SFPs has had to cool since the plant was permanently shutdown in June 2013 during its evaluation of the licensee's exemption request.

As discussed in the staff response to a question in SECY–00–0145, ''the staff believes that full insurance coverage must be maintained for 5 years or until a licensee can show by analysis that its spent fuel pool is no longer vulnerable to such [a zirconium] fire.'' In addition, as discussed in the staff response to another question in SECY–00–0145:

> Since the zirconium fire scenario would be possible for up to several years following shutdown, and since the consequences of such a fire could be severe in terms of offsite health consequences, property damage, and land contamination, the staff position is that full offsite liability coverage (both primary and secondary levels) must be retained for five years or until analysis has indicated that a zirconium fire is no longer possible. At that point, primary coverage would be reduced from $200 million to $100 million and participation in the secondary retrospective rating pool would no longer be required.

Although the official certifications for permanent cessation of power operations and permanent removal of fuel from the reactor vessel were not submitted until June 2013, the staff notes that SONGS was in an extended

outage to address steam generator issues, and neither SONGS, Units 2 nor 3, have produced power since January 2012. This additional storage time for the fuel in the SONGS SFPs has allowed it to cool for greater than the 5 years suggested in SECY–00–0145, which supports the conclusion that zirconium fire risks from the irradiated fuel stored in the SFPs is of negligible concern and exemption from the requested requirements is warranted.

In addition to the air-cooling scenario, the licensee's adiabatic heat-up analyses demonstrate that as of October 12, 2014, there would be at least 17 hours after the loss of all means of cooling (both air and/or water), before the spent fuel cladding would reach a temperature where the potential for a significant offsite radiological release could occur. The licensee states that for this loss of all cooling scenario, 10 hours is sufficient time for personnel to respond with additional resources, equipment, and capability to restore cooling to the SFPs, even after a non-credible, catastrophic event.

As provided in SCE's letters dated October 7 and December 15, 2014, the licensee furnished information concerning its makeup strategies, in the event of a loss of SFP coolant inventory. The multiple strategies for providing makeup to the SFPs include: Using existing plant systems for inventory makeup; an internal strategy that relies on installed fire water pumps and service water or fire water storage tanks; or an external strategy that uses portable pumps to initiate makeup flow into the SFPs through a seismic standpipe and standard fire hoses routed to the SFPs or to a spray nozzle. These strategies will be maintained by a license condition until such time as all fuel has been moved to dry storage in an onsite ISFSI. The licensee states that the equipment needed to perform these actions are located onsite, and that the external makeup strategy (using portable pumps) is capable of being deployed within 2 hours. The licensee also stated that, considering the very low-probability of beyond design-basis accidents affecting the SFPs, these diverse strategies provide defense-in-depth and time to mitigate and prevent a zirconium fire, using makeup or spray into the SFP before the onset of zirconium cladding rapid oxidation.

In the safety evaluation of the licensee's request for exemptions from certain emergency planning requirements dated June 4, 2015 (ADAMS Accession No. ML15082A204), the NRC staff assessed the SCE accident analyses associated with the radiological risks from a zirconium fire at the permanently shutdown and defueled SONGS site. The NRC staff has confirmed that under conditions where cooling air flow can develop, suitably conservative calculations indicate that by the end of August 2014, the fuel would remain at temperatures where the cladding would be undamaged for an unlimited period. The staff also finds that the additional cooling time provided for the fuel between January 2012 and the issuance of this exemption provides reasonable assurance that zirconium fire risks from the irradiated fuel stored in the SFPs is of negligible concern. For the very unlikely beyond design-basis accident scenario, where the SFP coolant inventory is lost in such a manner that all methods of heat removal from the spent fuel are no longer available, there will be a minimum of 10 hours from the initiation of the accident until the cladding reaches a temperature where offsite radiological release might occur. The staff finds that 10 hours is sufficient time to support deployment of mitigation equipment, consistent with plant conditions, to prevent the zirconium cladding from reaching a point of rapid oxidation.

The NRC staff has determined that the licensee's proposed reduction in primary offsite liability coverage to a level of $100 million, and the licensee's proposed withdrawal from participation in the secondary insurance pool for offsite financial protection, are consistent with the policy established in SECY–93–127 and subsequent insurance considerations, resulting from additional zirconium fire risks, as discussed in SECY–00–0145 and SECY–01–0100. The NRC has previously determined in SECY–00–0145 that the minimum offsite financial protection requirement may be reduced to $100 million and that secondary insurance is not required, once it is determined that the spent fuel in the spent fuel pool is no longer thermal-hydraulically capable of sustaining a zirconium fire based on a plant-specific analysis. In addition, the NRC staff notes that similar exemptions have been granted to other permanently shutdown and defueled power reactors, upon demonstration that the criterion of the zirconium fire risks from the irradiated fuel stored in the SFP is of negligible concern. Finally, the staff notes that in accordance with the SONGS PSDAR, all spent fuel will be removed from the SFPs and moved into dry storage at an onsite ISFSI by the end of 2019, and the probability of an initiating event that would threaten SFP integrity occurring before that time is extremely low, which further supports the conclusion that the risk of a zirconium fire is negligible.

The Exemption Is Authorized by Law

In accordance with 10 CFR 140.8, the Commission may grant exemptions from the regulations in 10 CFR part 140 as the Commission determines are authorized by law. The NRC staff has determined that granting the licensee's proposed exemption will not result in a violation of the Atomic Energy Act of 1954, Section 170, as amended, other laws, or the Commission's regulations, which require licensees to maintain adequate financial protection. Therefore, the proposed exemption for SONGS from the primary offsite liability insurance and secondary financial protection requirements of 10 CFR 140.11(a)(4) is authorized by law.

The Exemption Is Otherwise in the Public Interest

The financial protection limits of 10 CFR 140.11 were established to require licensees to maintain sufficient offsite liability insurance to ensure adequate funding for offsite liability claims, following an accident at an operating reactor. However, the regulation does not consider the reduced potential for and consequences of nuclear incidents at permanently shutdown and decommissioning reactors.

In SECY–93–127, SECY–00–0145, and SECY–01–0100 provide a basis for allowing licensees of decommissioning plants to reduce their primary offsite liability insurance and to withdraw from participation in the retrospective rating pool for deferred premium charges. As discussed in these documents, once the zirconium fire concern is determined to be negligible, possible accident scenario risks at permanently shutdown and defueled reactors are greatly reduced, when compared to operating reactors, and the associated potential for offsite financial liabilities from an accident are commensurately less. The licensee has analyzed and the staff has confirmed that the possible accidents that could result in an offsite radiological risk are minimal, thereby justifying the proposed reductions in offsite liability insurance and withdrawal from participation in the secondary retrospective rating pool for deferred premium charges.

Additionally, participation in the secondary retrospective rating pool could be problematic for SCE because the licensee would incur financial liability if an extraordinary nuclear incident occurred at another nuclear power plant. Because SONGS is permanently shut down, it does not

produce revenue from electricity generation sales to cover such a liability. Therefore, such liability, if incurred, could significantly affect the financial resources available to the facility to conduct and complete radiological decontamination and decommissioning activities. Furthermore, the shared financial risk exposure to SCE is greatly disproportionate to the radiological risk posed by SONGS when compared to operating reactors.

The reduced overall risk to the public at decommissioning power plants does not warrant SCE to carry full operating reactor insurance coverage, after the requisite spent fuel cooling period has elapsed, following final reactor shutdown. The licensee's proposed financial protection limits will maintain a level of liability insurance coverage commensurate with the risk to the public. These changes are consistent with previous NRC policy and exemptions approved for other decommissioning reactors. Thus, the underlying purpose of the regulations will not be adversely affected by reductions in the insurance coverage for SONGS.

Accordingly, the proposed exemption for SONGS from the primary offsite liability insurance and secondary financial protection requirements of 10 CFR 140.11(a)(4) is in the public interest.

Environmental Considerations

Pursuant to 10 CFR 51.22(c)(25), the granting of an exemption from the requirements of any regulation in Chapter I of 10 CFR is a categorical exclusion provided that (i) there is no significant hazards consideration; (ii) there is no significant change in the types or significant increase in the amounts of any effluents that may be released offsite; (iii) there is no significant increase in individual or cumulative public or occupational radiation exposure; (iv) there is no significant construction impact; (v) there is no significant increase in the potential for or consequences from radiological accidents; and (vi) the requirements from which an exemption is sought are among those identified in 10 CFR 51.22(c)(25)(vi).

The NRC staff has determined that approval of the exemption request involves no significant hazards consideration because reducing the licensee's offsite liability requirements at the decommissioning San Onofre Nuclear Generating Station, Units 2 and 3, does not (1) involve a significant increase in the probability or consequences of an accident previously evaluated; (2) create the possibility of a new or different kind of accident from any accident previously evaluated; or (3) involve a significant reduction in a margin of safety. The exempted financial protection regulation is unrelated to the operation of SONGS. Accordingly, there is no significant change in the types or significant increase in the amounts of any effluents that may be released offsite, and no significant increase in individual or cumulative public or occupational radiation exposure.

The exempted regulation is not associated with construction, so there is no significant construction impact. The exempted regulation does not concern the source term (*i.e.,* potential amount of radiation involved an accident) or accident mitigation; therefore, there is no significant increase in the potential for, or consequences from, a radiological accident. In addition, there would be no significant impacts to biota, water resources, historic properties, cultural resources, or socioeconomic conditions in the region. The requirement for offsite liability insurance may be viewed as involving surety, insurance, or indemnity matters in accordance with 10 CFR 51.22(c)(25)(vi).

Therefore, pursuant to 10 CFR 51.22(b) and 10 CFR 51.22(c)(25), no environmental impact statement or environmental assessment need be prepared in connection with the approval of this exemption request.

IV. Conclusions

Accordingly, the Commission has determined that, pursuant to 10 CFR 140.8, the exemption is authorized by law, and is otherwise in the public interest. Therefore, the Commission hereby grants SCE exemption from the requirement of 10 CFR 140.11(a)(4) to permit the licensee to reduce primary offsite liability insurance to $100 million, accompanied by withdrawal from participation in the secondary insurance pool for offsite liability insurance.

This exemption is effective upon issuance.

Dated at Rockville, Maryland, this 5th day of January 2018.

For the Nuclear Regulatory Commission.

Gregory Suber,

Deputy Division Director, Division of Decommissioning, Uranium Recovery and Waste Programs, Office of Nuclear Material Safety and Safeguards.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–82449; File No. SR–GEMX–2017–60]

Self-Regulatory Organizations; Nasdaq GEMX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Various Fees and Rebates Set Forth in Section I of the Exchanges Schedule of Fees

January 5, 2018.

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 22, 2017, Nasdaq GEMX, LLC (''GEMX'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II 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 various fees and rebates set forth in Section I of the Exchanges Schedule of Fees.

The text of the proposed rule change is available on the Exchange's website at *http://nasdaqgemx.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 amend various fees and

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

rebates set forth in Section I of the Exchange's Schedule of Fees. Each proposed change is described in more detail below.

Changes to Maker Rebates and Taker Fees Based on Qualifying Tier Thresholds

By way of background, GEMX currently provides volume-based maker rebates to Market Maker [3] and Priority Customer [4] orders in four tiers based on a member's average daily volume (''ADV'') in the following categories: (i) Total Affiliated Member ADV [5] and (ii) Priority Customer Maker ADV,[6] as shown in the table below.[7] In addition, GEMX charges volume-based taker fees to market participants based on achieving these volume thresholds.

TABLE 1—QUALIFYING TIER THRESHOLDS

Tier	Total affiliated member ADV	Priority customer maker ADV
Tier 1	0–99,999	0–19,999
Tier 2	100,000–224,999, or executes 1% to less than 2% of Customer Total Consolidated Volume	20,000–99,999
Tier 3	225,000–349,999, or executes 2% to less than 3% of Customer Total Consolidated Volume	100,000–149,999
Tier 4	350,000 or more, or executes 3% or greater of Customer Total Consolidated Volume	150,000 or more

Maker Rebates in Penny Symbols and SPY

Currently, the Exchange provides a maker rebate to Market Maker orders in Penny Symbols and SPY that is $0.30 per contract in Tier 1, $0.32 per contract in Tier 2, $0.34 per contract in Tier 3, and $0.45 per contract in Tier 4. The Exchange proposes the following changes to the maker rebate provided to Market Maker orders in Penny Symbols and SPY in Tiers 1–3: (i) Decrease the maker rebate to $0.28 per contract in Tier 1, (ii) decrease the maker rebate to $0.30 per contract in Tier 2, and (iii) increase the maker rebate to $0.35 per contract in Tier 3.

Currently, the Exchange provides a maker rebate to Priority Customer orders in Penny Symbols and SPY that is $0.25 per contract in Tier 1 (or $0.32 per contract for members that execute a Priority Customer Maker ADV of 5,000 to 19,999 contracts in a given month), $0.40 per contract in Tier 2, $0.48 per contract in Tier 3, and $0.53 per contract in Tier 4. The Exchange proposes to eliminate the higher maker rebate provided in Tier 1 for members that execute a Priority Customer ADV of 5,000 to 19,999 contracts in a given month.

Maker Rebates in Non-Penny Symbols (Excluding Index Options)

Currently, the Exchange provides a maker rebate to Market Maker orders in Non-Penny Symbols (excluding index options) that is $0.40 per contract in Tier 1, $0.42 per contract in Tier 2, $0.50 per contract in Tier 3, and $0.75 per contract in Tier 4. The Exchange proposes to decrease the maker rebate provided to Market Maker orders in Non-Penny Symbols (excluding index options) to $0.45 in Tier 3.

Currently, the Exchange provides a maker rebate to Priority Customer orders in Non-Penny Symbols (excluding index options) that is $0.75 per contract in Tier 1 (or $0.76 per contract for members that execute a Priority Customer Maker ADV of 5,000 to 19,999 contracts in a given month), $0.80 per contract in Tier 2, $0.85 per contract in Tier 3, and $1.05 per contract in Tier 4. The Exchange proposes to eliminate the higher maker rebate provided in Tier 1 for members that execute a Priority Customer Maker ADV of 5,000 to 19,999 contracts in a given month.

Taker Fees in Penny Symbols and SPY

Currently, the Exchange charges a taker fee for Market Makers and Non-Nasdaq GEMX Market Maker [8] orders in Penny Symbols and SPY that is $0.49 per contract in Tiers 1–3, and $0.48 per contract in Tier 4, for trades executed against a Non-Priority Customer.[9] Firm Proprietary,[10] Broker-Dealer,[11] and Professional Customer [12] orders in Penny Symbols and SPY are charged a $0.49 per contract taker fee for trades executed against a Non-Priority Customer, regardless of the tier achieved. The taker fee is $0.50 per contract for all Non-Priority Customer orders in Penny Symbols and SPY for trades executed against a Priority Customer. The Exchange now proposes to increase the taker fee charged to Non-Priority Customer orders in Penny Symbols and SPY to $0.50 per contract in Tiers 1–3 for trades executed against a Non-Priority Customer.

Taker Fees in Non-Penny Symbols (Excluding Index Options)

Currently, the Exchange charges a taker fee for Non-Priority Customer orders in Non-Penny Symbols

[3] The term ''Market Makers'' refers to ''Competitive Market Makers'' and ''Primary Market Makers'' collectively.

[4] A ''Priority Customer'' is a person or entity that is not a broker/dealer in securities, and does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s).

[5] The Total Affiliated Member ADV category includes all volume in all symbols and order types, including both maker and taker volume and volume executed in the PIM, Facilitation, Solicitation, and QCC mechanisms. For purposes of determining a member's eligibility for the volume-based tiers in the Total Affiliated Member ADV category, the Exchange uses either numeric thresholds that measure a member's absolute volume or, as an alternative, a percentage-based calculation that considers a member's volume relative to total customer industry volume (*i.e.,* the ''Customer Total Consolidated Volume''). For purposes of measuring Total Affiliated Member ADV, Customer Total Consolidated Volume means the total volume cleared at The Options Clearing Corporation in the Customer range in equity and ETF options in that month.

[6] The Priority Customer Maker ADV category includes all Priority Customer volume that adds liquidity in all symbols.

[7] All eligible volume from affiliated Members will be aggregated in determining applicable tiers, provided there is at least 75% common ownership between the Members as reflected on each Member's Form BD, Schedule A.

The highest tier threshold attained above applies retroactively in a given month to all eligible traded contracts and applies to all eligible market participants.

Any day that the market is not open for the entire trading day or the Exchange instructs members in writing to route their orders to other markets may be excluded from the ADV calculation; provided that the Exchange will only remove the day for members that would have a lower ADV with the day included.

[8] A ''Non-Nasdaq GEMX Market Maker'' is a market maker as defined in Section 3(a)(38) of the Securities Exchange Act of 1934, as amended, registered in the same options class on another options exchange.

[9] Non-Priority Customer includes Market Maker, Non-Nasdaq GEMX Market Maker, Firm Proprietary, Broker-Dealer, and Professional Customer.

[10] A ''Firm Proprietary'' order is an order submitted by a member for its own proprietary account.

[11] A ''Broker-Dealer'' order is an order submitted by a member for a broker-dealer account that is not its own proprietary account.

[12] A ''Professional Customer'' is a person or entity that is not a broker/dealer and is not a Priority Customer.

(excluding index options) that is $0.89 per contract for trades executed against a Non-Priority Customer, regardless of the tier achieved. The taker fee is $1.10 per contract for all Non-Priority Customer orders in Non-Penny Symbols (excluding index options) for trades executed against a Priority Customer. The Exchange now proposes to increase the taker fee charged to Non-Priority Customer orders in Non-Penny Symbols (excluding index options) to $0.99 per contract in Tiers 1–3 and $0.94 per contract in Tier 4, in each case for trades executed against a Non-Priority Customer.

Currently, the Exchange charges a taker fee for Priority Customer orders in Non-Penny Symbols (excluding index options) that is $0.82 per contract in Tier 1, and $0.81 per contract for Tiers 2–4, for trades executed against a Non-Priority Customer. The taker fee is $0.85 per contract for all Priority Customer orders in Non-Penny Symbols (excluding index options) for trades executed against a Priority Customer. The Exchange now proposes to increase the taker fee charged to Priority Customer orders in Non-Penny Symbols (excluding index options) to $0.85 per contract in Tiers 1–3 and $0.82 per contract in Tier 4, in each case for trades executed against a Non-Priority Customer.

Changes to the Fee for Responses to Crossing Orders (Excluding PIM)

GEMX currently charges a fee for Responses to Crossing Orders [13] (excluding PIM orders). In Penny Symbols and SPY, this fee is $0.49 per contract for Non-Priority Customer orders and $0.45 per contract for Priority Customer orders. In Non-Penny Symbols (excluding index options), this fee is $0.89 per contract for Non-Priority Customer orders and $0.82 per contract for Priority Customer orders.

The Exchange now proposes to increase this fee to $0.50 per contract for all market participants in Penny Symbols and SPY, and $1.00 per contract for all market participants in Non-Penny Symbols (excluding index options).

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[14] in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,[15] in particular, in that it provides for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

Changes to Maker Rebates and Taker Fees Based on Qualifying Tier Thresholds

The Exchange believes that it is reasonable to make the proposed changes to the maker rebates provided to Market Maker and Priority Customer orders in Penny Symbols and SPY, and in Non-Penny Symbols (excluding index options), as further discussed above. While the Exchange is primarily decreasing or eliminating the maker rebates currently provided to certain Market Maker and Priority Customer orders (except for increasing the Tier 3 maker rebate for Market Maker orders in Penny Symbols and SPY), the maker rebates provided to Market Makers and Priority Customers generally remain more favorable than the maker rebates provided to all other GEMX market participants. As such, the Exchange believes that the proposed changes to the Market Maker and Priority Customer maker rebates will continue to incentivize these market participants to send additional order flow to GEMX, thereby creating additional liquidity to the benefit of members and investors that trade on the Exchange. Furthermore, with the proposed changes to the Market Maker rebate amounts, the tiered maker rebates (*i.e.,* ranging from $0.28 to $0.45 per contract for Penny Symbols and SPY, and from $0.40 to $0.75 per contract for Non-Penny Symbols (excluding index options)) remain competitive with similar rebates provided by other options exchanges. For example, MIAX PEARL offers its market makers tiered makers rebates that range from $0.25 to $0.48 per contract for penny classes, and from $0.30 to $0.70 per contract for non-penny classes.[16]

The Exchange also believes that the proposed changes to the maker rebates as described above are equitable and not unfairly discriminatory. As has historically been the case, Market Maker and Priority Customer orders will continue to earn more favorable maker rebates in order to encourage that order flow. Market Makers have different requirements and obligations to the Exchange that other market participants do not (such as quoting requirements). In addition, a Priority Customer is by definition not a broker or dealer in securities, and does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). This limitation does not apply to participants whose behavior is substantially similar to that of market professionals, including Professional Customers, who will generally submit a higher number of orders than Priority Customers. As such, Priority Customer orders remain entitled to more favorable pricing than other market participants.

The Exchange believes that it is reasonable to increase the taker fees charged to all Non-Priority Customer orders in Penny Symbols and SPY from $0.49 to $0.50 per contract in Tiers 1–3 because the proposed change is a modest increase in fees. Furthermore, the proposed taker fees are within the range of similar fees currently charged by other options exchanges, including NOM, which assesses all NOM participants (including customers) a fee for removing liquidity of up to $0.50 per contract in penny pilot options.[17] Similarly, the Exchange believes that the proposed increase in the taker fees assessed to all market participant orders in Non-Penny Symbols (excluding index options) as discussed above is reasonable as the increased fees (ranging from $0.94 to $0.99 per contract for all Non-Priority Customers, and from $0.82 to $0.85 per contract for all Priority Customers) are still within the range of (or lower than) similar fees currently charged by other options exchanges. For example, MIAX PEARL charges tiered taker fees for non-penny classes ranging from $1.02 to $1.05 per contract for all MIAX PEARL non-priority customer orders, and from $0.84 to $0.87 per contract for priority customer orders.[18]

Furthermore, the Exchange believes that the proposed increase in the taker fees for Penny Symbols and SPY, and for Non-Penny Symbols (excluding

[13] ''Responses to Crossing Order'' is any contra-side interest (*i.e.,* orders & quotes) submitted after the commencement of an auction in the Exchange's Facilitation Mechanism, Solicited Order Mechanism, Block Order Mechanism or Price Improvement Mechanism (''PIM'').

[14] 15 U.S.C. 78f(b).

[15] 15 U.S.C. 78f(b)(4) and (5).

[16] *See* MIAX PEARL Fee Schedule, Section 1)a). *See also* Nasdaq Options Market (''NOM'') Rules, Chapter XV Options Pricing, Sec. 2(1). NOM offers its market makers tiered rebates to add liquidity that range from $0.20 to $0.42 per contract in penny pilot options. In non-penny pilot options, the rebate to add liquidity for NOM market makers is $0.30 per contract if participants add NOM market maker liquidity in non-penny pilot options of 10,000 or more ADV contracts per day in a month. *See* NOM Rules, Chapter XV Options Pricing, Sec. 2(1).

[17] *See* NOM Rules, Chapter XV, Sec. 2(1). *See also* MIAX PEARL Fee Schedule, Section 1)a) (assessing all MIAX PEARL participants (other than priority customers) taker fees of up to $0.50 per contract in penny classes).

[18] *See* MIAX PEARL Fee Schedule, Section 1(a). *See also* NOM Rules, Chapter XV, Sec. 2(1) (charging a fee for removing liquidity in non-penny pilot options that is $0.85 per contract for customers and professionals, and $1.10 per contract for all other NOM participants).

index options), is equitable and not unfairly discriminatory because the proposed changes will apply uniformly to all similarly-situated market participants.

Changes to the Fee for Responses to Crossing Orders (Excluding PIM)

The Exchange believes that the proposed fees for Responses to Crossing Orders (excluding PIM orders), which are being increased for all market participants to $0.50 per contract in Penny Symbols and SPY, and $1.00 per contract in Non-Penny Symbols (excluding index options), are reasonable because they remain competitive with similar fees assessed by other options exchanges, including, for example, BOX Options Exchange (''BOX''), which charges up to $0.50 and $1.15 per contract for responses in its solicitation or facilitation auction mechanisms for penny pilot and non-penny pilot classes, respectively.[19] As such, the Exchange believes that the response fees proposed herein are set at levels that the Exchange believes will remain attractive to market participants that trade on GEMX.

Finally, the Exchange believes that the proposed fees for Responses to Crossing Orders (excluding PIM orders) are equitable and not unfairly discriminatory because they would uniformly apply to all similarly-situated market participants.

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 not necessary or appropriate in furtherance of the purposes of the Act. As discussed above, the Exchange believes that the proposed fees and rebates in Section I of the Exchange's Schedule of Fees remain competitive with similar fees and rebates offered on other options exchanges. The Exchange operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees to remain competitive. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

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

No written comments were either solicited or received.

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)(ii) of the Act,[20] and Rule 19b–4(f)(2)[21] 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: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

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–GEMX–2017–60 on the subject line.

Paper Comments

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

All submissions should refer to File Number *SR–GEMX–2017–60.* 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 website (*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 website 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–GEMX–2017–60 and should be submitted on or before February 1, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[22]

Eduardo A. Aleman,

Assistant Secretary.

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[19] BOX charges a fee for responses in the solicitation or facilitation auction mechanisms for all account types that is $0.25 per contract (for penny pilot classes) and $0.40 per contract (for non-penny pilot classes). *See* BOX Fee Schedule, Section I.C. As set forth in the BOX Fee Schedule, ''[r]esponses to Facilitation and Solicitation Orders executed in these mechanisms shall be charged the ''add'' fee.'' *Id.* at Section III.B, second bullet. For all account types, this fee (*i.e.,* the Fee for Adding Liquidity) is $0.25 (for penny pilot classes) and $0.75 (for non-penny pilot classes). *Id.* Thus, BOX may charge a fee for responses in its solicitation or facilitation auction mechanisms of up to $0.50 per contract (for penny pilot classes) and $1.15 per contract (for non-penny pilot classes).

[20] 15 U.S.C. 78s(b)(3)(A)(ii).

[21] 17 CFR 240.19b–4(f)(2).

[22] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–82450; File No. SR–CboeBZX–2017–019]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Related to Market Data Fees

January 5, 2018.

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 December 28, 2017, Cboe BZX Exchange, Inc. (the

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

''Exchange'' or ''BZX'') 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 Exchange has designated the proposed rule change as one establishing or changing a member due, fee, or other charge imposed by the Exchange under Section 19(b)(3)(A)(ii) of the Act [3] and Rule 19b–4(f)(2) thereunder,[4] which renders the proposed rule change effective upon filing with the Commission. 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 filed a proposal to amend the Market Data section of its fee schedule to lower the Internal Distribution [5] fees and to adopt per User fees for two market data products, the Cboe One Summary Feed and the ETF Implied Liquidity Feed.

The text of the proposed rule change is available at the Exchange's website at *www.markets.cboe.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 parts of such statements.

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend the Market Data section of its fee schedule to lower the fee for Internal Distribution and to adopt separate fees for Professional [6] and Non-Professional Users [7] for the Cboe One Summary Feed and the ETF Implied Liquidity Feed.[8]

Cboe One Feed

The Cboe One Feed is an optional data feed that disseminates, on a real-time basis, the aggregate best bid and offer (''BBO'') of all displayed orders for securities traded on BZX and its affiliated exchanges [9] and for which they report quotes under the Consolidated Tape Association (''CTA'') Plan or the Nasdaq/UTP Plan.[10] The Cboe One Feed also contains the individual last sale information for the Cboe Equity Exchanges (collectively with the aggregate BBO, the ''Cboe One Summary Feed''). In addition, the Cboe One Feed contains optional functionality which enables recipients to receive aggregated two-sided quotations from the Cboe Equity Exchanges for up to five (5) price levels (''Cboe One Premium Feed'').

The Exchange proposes to amend its fee schedule to lower the fee for Internal Distribution for the Cboe One Summary Feed and to adopt separate fees for Professional and Non-Professional Users.[11] The Exchange does not propose to amend the fees for the Cboe One Premium Feed.

Distribution Fees. Currently, each Internal Distributor that receives the Cboe One Summary Feed is charged a fee of $10,000 per month. The Exchange now proposes to lower the fee for Internal Distribution to $1,500 per month.

User Fees. Like it does today for External Distributors, the Exchange proposes to adopt per User fees for Internal Distributors that receive the Cboe One Summary Feed. The Exchange currently charges External Distributors that redistribute the Cboe One Summary Feed different fees for their Professional Users and Non-Professional Users. Those fees are $10.00 per month for each Professional Users and $0.25 per month for each Non-Professional Users. To date, the Exchange has not charged per User fees to Internal Distributors for the Cboe One Summary Feed. To offset the proposed reduction to the monthly Internal Distribution fee, the Exchange proposes to adopt per User fees for Internal Distribution, the amounts of each fee would be the same as the per User fees currently charged to External Distributors described above.

The Exchange also proposes to extend the current $50,000 per month Enterprise Fee available to External Distributors of the Cboe One Summary Feed to Internal Distributors. In lieu of per User fees, the Enterprise fee will permit Internal Distributors who redistribute the Cboe One Summary Feed to an unlimited number of internal Professional and Non-Professional Users for a set fee of $50,000 per month. For example, if an Internal Distributor had 15,000 Professional Users who each receive the Cboe One Summary Feed at $10.00 per month, then that Internal Distributor will pay $150,000 per month in Professional Users fees. Under the proposed Enterprise Fee, the Internal Distributor will pay a flat fee of $50,000 for an unlimited number of internal

[3] 15 U.S.C. 78s(b)(3)(A)(ii).

[4] 17 CFR 240.19b–4(f)(2).

[5] A ''Distributor'' is defined as ''any entity that receives the Exchange Market Data product directly from the Exchange or indirectly through another entity and then distributes it internally or externally to a third party.'' *See* the Exchange's fee schedule *available at http://markets.cboe.com/us/equities/membership/fee_schedule/bzx/.* An ''Internal Distributor'' is defined as ''a Distributor that receives the Exchange Market Data product and then distributes that data to one or more Users within the Distributor's own entity.'' *Id.*

[6] A ''Professional User'' is defined as ''any User other than a Non-Professional User.'' *See* the Exchange's fee schedule *available at http://markets.cboe.com/us/equities/membership/fee_schedule/bzx/.*

[7] A ''Non-Professional User'' is currently defined as ''a natural person who is not: (i) Registered or qualified in any capacity with the Commission, the Commodity Futures Trading Commission, any state securities agency, any securities exchange or association, or any commodities or futures contract market or association; (ii) engaged as an ''investment adviser'' as that term is defined in Section 202(a)(11) of the Investment Advisers Act of 1940 (whether or not registered or qualified under that Act); or (iii) employed by a bank or other organization exempt from registration under federal or state securities laws to perform functions that would require registration or qualification if such functions were performed for an organization not so exempt.'' *Id. See* SR–CboeBZX–2017–016 (filed December 15, 2017) (amending the definition of Non-Professional User to harmonize it with that of its affiliate exchanges, Cboe Exchange, Inc. and C2 Exchange, Inc. as of January 2, 2018).

[8] This Exchange initially filed the proposed rule change on December 15, 2017 (SR–CboeBZX–2017–017). On December 18, 2018 the Exchange withdrew SR–CboeBZX–2017–017 and submitted this filing.

[9] BZX's affiliated exchanges are Cboe EDGA Exchange, Inc. (''EDGA''), Cboe EDGX Exchange, Inc. (''EDGX''), and Cboe BYX Exchange, Inc. (''BYX'', together with EDGX, EDGA, and BZX, the ''Cboe Equity Exchanges'').

[10] *See* Exchange Rule 11.22(j). *See also* Securities Exchange Act Release No. 73918 (December 23, 2014), 79 FR 78920 (December 31, 2014) (File Nos. SR–EDGX–2014–25; SR–EDGA–2014–25; SR–BATS–2014–055; SR–BYX–2014–030) (Notice of Amendment No. 2 and Order Granting Accelerated Approval to Proposed Rule Changes, as Modified by Amendments Nos. 1 and 2, to Establish a New Market Data Product called the Cboe One Feed) (''Cboe One Approval Order'').

[11] The Exchange also proposes a non-substantive, immaterial change to the fee table headings to conform to other heading within the Market Data Section of the fee schedule. In particular, the Exchange proposes to change the term ''Distributor'' to ''Distribution'' in both the Internal Distributor and External Distributor headings under the Cboe One Feed.

Professional and Non-Professional Users of the Cboe One Summary Feed. An Internal Distributor that pays the Enterprise Fee will not have to report its number of such Users (as set forth below) on a monthly basis. However, every six months, an Internal Distributor must provide the Exchange with a count of the total number of natural person users of each product, including both Professional and Non-Professional Users. Like for External Distributors, the Enterprise Fee for Internal Distributors would be in addition to the applicable Distribution Fee.

ETF Implied Liquidity Feed

The ETF Implied Liquidity feed is an optional data feed that provides the Exchange's proprietary calculation of the implied liquidity and the aggregate best bid and offer (''BBO'') of all displayed orders on the Cboe Equity Exchange for all standard, non-leveraged U.S. equity Exchange Traded Funds (''ETFs'') [12] traded on the System.[13] An ETF's implied liquidity disseminated via the proposed feed would consist of the ETF's implied BBO (including the implied size) calculated via a proprietary methodology based on the national best bid and offer (''NBBO''), the number of shares of securities underlying one creation unit of the ETF, and the estimated cash included in one creation unit of the ETF.

Similar to as proposed above for the Cboe One Summary Feed, the Exchange proposes to amend its fee schedule to lower the fee for Internal Distribution and to adopt separate fees for Professional and Non-Professional Users.

Distribution Fees. Currently, each Internal Distributor that receives the ETF Implied Liquidity Feed is charged a fee of $5,000 per month. The Exchange now proposes to lower the fee for Internal Distribution to $1,500 per month. Like it does for External Distributors today, the Exchange proposes to waive the Distribution fee for Internal Distributors of the ETF Implied Liquidity Feed that also receive the Cboe One Feed. The ETF Implied Liquidity Feed and the Cboe One Feed are similar in that both include the aggregate BBO for all displayed orders on the Cboe Equity Exchanges. The key difference here is that the ETF Implied Liquidity Feed also contains the Exchange's proprietary calculation of the ETF's implied liquidity. As such, the Exchange believes it is reasonable to waive the Distributor fee for Internal Distributors of the ETF Implied Liquidity Feed where that Internal Distributor also receives and is charged the Internal Distributor fee for the Cboe One Feed. The Exchange notes that the proposed lower Internal Distribution fee for the ETF Implied Liquidity Feed of $1,500 per month would equal the proposed Internal Distribution fee for Cboe One Summary and less than the existing $15,000 per month Internal Distribution fee for Cboe One Premium.

User Fees. Like it does today for External Distributors, the Exchange proposes to charge per User fees to Internal Distributors that receive the ETF Implied Liquidity Feed. The Exchange currently charges External Distributors that redistribute the ETF Implied Liquidity Feed different fees for their Professional Users and Non-Professional Users. Those fees are $25.00 per month for each Professional Users and $1.00 per month for each Non-Professional Users. To date, the Exchange has not charged per User fees to Internal Distributors. To offset the proposed reduction to the monthly Internal Distribution fee, the Exchange proposes to adopt per User fees for Internal Distribution, the amounts of each would be the same as the per User fees currently charged to External Distributors.

User Count Policy

Like External Distributors of the Cboe One Summary Feed and the ETF Implied Liquidity Feed, Internal Distributors that receive the Cboe One Summary Feed and/or ETF Implied Liquidity Feed will be required to count every Professional User and Non-Professional User to which they provide the Cboe One Summary Feed and/or ETF Implied Liquidity Feed, the requirements for which are identical to that currently in place for External Distributors of the Cboe One Summary Feed and ETF Implied Liquidity Feed, as well as other market data products offered by the Exchange.[14] Thus, the Internal Distributor's count will include every person and device that accesses the data regardless of the purpose for which the individual or device uses the data. Internal Distributors must report all Professional and Non-Professional Users in accordance with the following:

- In connection with an Internal Distributor's distribution of the Cboe One Summary Feed and/or ETF Implied Liquidity Feed, the Internal Distributor must count as one User each unique User that the Internal Distributor has entitled to have access to the Cboe One Summary Feed and/or ETF Implied Liquidity Feed. However, where a device is dedicated specifically to a single individual, the Internal Distributor must count only the individual and need not count the device.
- The Internal Distributor must identify and report each unique User. If a User uses the same unique method to gain access to the Cboe One Summary Feed and/or ETF Implied Liquidity Feed, the Internal Distributor must count that as one User. However, if a unique User uses multiple methods to gain access to the Cboe One Summary Feed and/or the ETF Implied Liquidity Feed (*e.g.,* a single User has multiple passwords and user identifications), the Internal Distributor must report each of those methods as an individual User.
- Internal Distributors must report each unique individual person who receives access through multiple devices as one User so long as each device is dedicated specifically to that individual.
- If an Internal Distributor entitles one or more individuals to use the same device, the Distributor must include only the individuals, and not the device, in the count.

Implementation Date

The Exchange intends to implement the proposed fees on January 2, 2018.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,[15] in general, and furthers the objectives of Section 6(b)(4),[16] in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its members and other recipients of Exchange data. The Exchange believes that the proposed rates are equitable and non-discriminatory in that they apply

[12] The securities underlying each of the U.S. equity ETFs included in the feed must be considered NMS Securities as defined under Rule 600(b)(46) of Regulation NMS. 17 CFR 242.600(b)(46).

[13] *See* Exchange Rule 11.22(n). *See also* Securities Exchange Act Release No. 80580 (May 3, 2017) (SR–BatsBZX–2017–25) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Rule 11.22, Data Products, to Adopt a New Market Data Product Known as the ETF Implied Liquidity Feed).

[14] *See* Securities Exchange Act Release Nos. 74285 (February 18, 2015); 80 FR 9828 (February 24, 2015) (SR–BATS–2015–11) (proposing fees for the Cboe One Feed); 75406 (July 9, 2015), 80 FR 41522 (July 15, 2015) (SR–BATS–2015–48) (proposing user fees for the BZX Top and Last Sale data feeds); 75785 (August 28, 2015), 80 FR 53360 (September 3, 2015) (SR–BATS–2015–64) (proposing fees for BZX Book Viewer); *and* 79636 (December 21, 2016), 81 FR 95693 (December 28, 2016) (SR–BatsBZX–2016–87) (proposing fees for BZX Summary Depth).

[15] 15 U.S.C. 78f.

[16] 15 U.S.C. 78f(b)(4).

uniformly to all recipients of Exchange data. The Exchange believes the proposed fees are competitive with those charged by other venues and, therefore, reasonable and equitably allocated to recipients.

The Exchange believes that the proposed rule change is consistent with Section 11(A) of the Act [17] in that it supports (i) fair competition among brokers and dealers, among exchange markets, and between exchange markets and markets other than exchange markets and (ii) the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities. Furthermore, the proposed rule change is consistent with Rule 603 of Regulation NMS,[18] which provides that any national securities exchange that distributes information with respect to quotations for or transactions in an NMS stock do so on terms that are not unreasonably discriminatory. In adopting Regulation NMS, the Commission granted self-regulatory organizations and broker-dealers increased authority and flexibility to offer new and unique market data to the public. It was believed that this authority would expand the amount of data available to consumers, and also spur innovation and competition for the provision of market data.

In addition, the proposed fees would not permit unfair discrimination because all of the Exchange's customers and market data vendors who subscribe to the Cboe One Summary Feed and ETF Implied Liquidity Feed will be subject to the proposed fees. The Cboe One Summary Feed and ETF Implied Liquidity Feed are distributed and purchased on a voluntary basis, in that neither the Exchange nor market data distributors are required by any rule or regulation purchase this data or to make this data available. Accordingly, Distributors and Users can discontinue use at any time and for any reason, including due to an assessment of the reasonableness of fees charged. Firms have a wide variety of alternative market data products from which to choose, such as similar proprietary data products offered by other exchanges and consolidated data. Moreover, the Exchange is not required to make any proprietary data products available or to offer any specific pricing alternatives to any customers.

In addition, the fees that are the subject of this rule filing are constrained by competition. As explained below in the Exchange's Statement on Burden on Competition, the existence of alternatives to the Cboe One Summary Feed and ETF Implied Liquidity Feed further ensure that the Exchange cannot set unreasonable fees, or fees that are unreasonably discriminatory, when vendors and subscribers can elect such alternatives. That is, the Exchange competes with other exchanges (and their affiliates) that provide similar market data products. For example, the Cboe One Summary Feed and/or ETF Implied Liquidity Feed provides investors with alternative market data and competes with similar market data product currently offered by other exchanges. If another exchange (or its affiliate) were to charge less to distribute its similar product than the Exchange charges to create the Cboe One Summary Feed and/or ETF Implied Liquidity Feed, prospective Users likely would not subscribe to, or would cease subscribing to either market data product.

The Exchange notes that the Commission is not required to undertake a cost-of-service or rate-making approach. The Exchange believes that, even if it were possible as a matter of economic theory, cost-based pricing for non-core market data would be so complicated that it could not be done practically.[19]

The Exchange believes that lowering the Internal Distribution fee for both the Cboe One Summary Feed and the ETF Implied Liquidity Feed is equitable and reasonable because the lower fee coupled with the adoption of per User fees is designed to provide a price structure for Internal Distributors that is competitive and attracts additional subscribers to each market data feed. The Exchange also believes that it is reasonable to charge a lower fee to Internal Distributors than External Distributors because External Distributors redistribute the data to their subscribers for a fee while Internal Distributors do not.

The Exchange believes it is reasonable to waive the Distributor fee for Internal Distributors of the ETF Implied Liquidity Feed that also receive the Cboe One Feed as both include the aggregate BBO for all displayed orders on the Cboe Equity Exchanges and an identical waiver is currently granted to External Distributors. The key difference here is that the ETF Implied Liquidity Feed also contains the Exchange's proprietary calculation of the ETF's implied liquidity. Waiver of the Distributor fee for Internal Distributors that also receive and pay the Internal Distributor for the Cboe One Feed is equitable and reasonable because those Internal Distributors are being charged the Internal Distributor fees for the Cboe One Feed, which would be charged the proposed rate of $1,500 per month for Cboe One Summary and the existing rate of $15,000 per month for Cboe One Premium. The fee waiver here is equitable due to both products providing the same key data element—the aggregated BBO of the Cboe Equity Exchanges. While the ETF Implied Liquidity Feed also includes the Exchange's proprietary calculation of an ETF's implied liquidity, the Exchange notes that Internal Distributors of the ETF Implied Liquidity Feed would now be subject to the per User fees. Therefore, the Exchange believes it is equitable and reasonable to waive the Internal Distributor fees in such case. The Exchange did not previously extend this waiver to Internal Distributors because Internal Distributors of the Cboe One Feed were not charged User fees like External Distributors. Since that is no longer the case, the Exchange believes it is reasonable to extend the waiver to Internal Distributors as proposed herein.

The Exchange believes that implementing the Professional and Non-Professional User fees for the Cboe One Summary Feed and the ETF Implied Liquidity Feed are equitable and reasonable because they will result in greater availability to Professional and Non-Professional Users. The addition of per User fees also enables the fee for

[17] 15 U.S.C. 78k–1.

[18] 17 CFR 242.603.

[19] The Exchange believes that cost-based pricing would be impractical because it would create enormous administrative burdens for all parties, including the Commission, to cost-regulate a large number of participants and standardize and analyze extraordinary amounts of information, accounts, and reports. In addition, it is impossible to regulate market data prices in isolation from prices charged by markets for other services that are joint products. Cost-based rate regulation would also lead to litigation and may distort incentives, including those to minimize costs and to innovate, leading to further waste. Under cost-based pricing, the Commission would be burdened with determining a fair rate of return, and the industry could experience frequent rate increases based on escalating expense levels. Even in industries historically subject to utility regulation, cost-based ratemaking has been discredited. As such, the Exchange believes that cost-based ratemaking would be inappropriate for proprietary market data and inconsistent with Congress's direction that the Commission use its authority to foster the development of the national market system, and that market forces will continue to provide appropriate pricing discipline. *See* Appendix C to NYSE's comments to the Commission's 2000 Concept Release on the Regulation of Market Information Fees and Revenues, which can be found on the Commission's website at *http://www.sec.gov/rules/concept/s72899/buck1.htm. See also* Securities Exchange Act Release No. 73816 (December 11, 2014), 79 FR 75200 (December 17, 2014) (SR–NYSE–2014–64) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Establish an Access Fee for the NYSE Best Quote and Trades Data Feed, Operative December 1, 2014).

Internal Distribution, thereby lowering their overall costs where the number of Users they account for is low. Moreover, introducing a modest Non-Professional User fee is reasonable because it provides an additional method for Non-Professional investors to access the data by providing the same data that is available to Professional Users. The Exchange believes that the proposed fees are equitable and not unfairly discriminatory because they will be charged uniformly to Internal Distributors and Users. The Exchange notes that the amount of the per User fees for Internal Distribution equal those charged for External Distribution for both the Cboe One Summary Feed and ETF Implied Liquidity Feed.

The fee structure of differentiated Professional and Non-Professional fees is utilized by the Exchange for the Cboe One Feed and has long been used by other exchanges for their proprietary data products, and by the Nasdaq UTP and the CTA and CQ Plans in order to reduce the price of data to retail investors and make it more broadly available.[20] Offering the Cboe One Summary Feed and ETF Implied Liquidity Feed to Non-Professional Users with the same data available to Professional Users results in greater equity among data recipients.

The proposed expansion of the Enterprise Fee to Internal Distributors of the Cboe One Summary Feed is reasonable because it could result in a fee reduction for Internal Distributors with a large number of Professional and Non-Professional Users. If an Internal Distributor has a smaller number of Professional Users of the Cboe One Summary Feed, then it may continue using the per User structure. By reducing prices for Internal Distributors with a large number of Professional and Non-Professional Users, the Exchange believes that more Internal Distributors may choose to receive and to distribute the Cboe One Summary Feed, thereby expanding the distribution of this market data for the benefit of investors.

The Exchange further believes that the proposed Enterprise Fee is reasonable because it will simplify reporting for certain Internal Distributors that have large numbers of Professional and Non-Professional Users. Internal Distributors that pay the proposed Enterprise Fee will not have to report the number of Users on a monthly basis as they currently do, but rather will only have to count natural person users every six months, which is a significant reduction in administrative burden. Finally, the Exchange believes that it is equitable and not unfairly discriminatory to establish an Enterprise Fee because it reduces the Exchange's costs and the Distributor's administrative burdens in tracking and auditing large numbers of Users.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. The Exchange's ability to price the Cboe One Summary Feed and the ETF Implied Liquidity Feed is constrained by: (i) Competition among exchanges, other trading platforms, and Trade Reporting Facilities (''TRF'') that compete with each other in a variety of dimensions; (ii) the existence of inexpensive real-time consolidated data and market-specific data and free delayed data; and (iii) the inherent contestability of the market for proprietary data.

The Exchange and its market data products are subject to significant competitive forces and the proposed fees represent responses to that competition. To start, the Exchange competes intensely for order flow. It competes with the other national securities exchanges that currently trade equities, with electronic communication networks, with quotes posted in FINRA's Alternative Display Facility, with alternative trading systems, and with securities firms that primarily trade as principal with their customer order flow. The Cboe One Summary Feed will enhance competition because it not only provides content that is competitive with the similar products offered by other exchanges, but will provide pricing that is competitive as well. The Cboe One Summary Feed provides investors with an alternative option for receiving market data and competes directly with similar market data products currently offered by the NYSE and Nasdaq.[21]

In addition, when establishing the proposed fees, the Exchange considered the competitiveness of the market for proprietary data and all of the implications of that competition. The Exchange believes that it has considered all relevant factors and has not considered irrelevant factors in order to establish fair, reasonable, and not unreasonably discriminatory fees and an equitable allocation of fees among all Users. The existence of alternatives to the Cboe One Summary Feed and the ETF Implied Liquidity Feed ensures that the Exchange cannot set unreasonable fees, or fees that are unreasonably discriminatory, when vendors and subscribers can elect these alternatives or choose not to purchase a specific proprietary data product if its cost to purchase is not justified by the returns any particular vendor or subscriber would achieve through the purchase.

Lastly, the Exchange represents that the proposed pricing of the Cboe One Summary Feed and the ETF Implied Liquidity Feed provides investors with alternative market data and competes with similar market data product currently offered by other exchanges.[22] In addition, the Exchange notes the concerns regarding whether a competing vendor could create a similar product on the same price basis as the Exchange

[20] *See* Securities Exchange Act Release Nos. 74285 (February 18, 2015), 80 FR 9828 (February 24, 2015) (SR–BATS–2015–11); 74283 (February 18, 2015), 80 FR 9809 (February 24, 2015) (SR–EDGA–2015–09); 74282 (February 17, 2015), 80 FR 9487 (February 23, 2015) (SR–EDGX–2015–09); *and* 74284 (February 18, 2015), 80 FR 9792 (February 24, 2015) (SR–BYX–2015–09) (''Initial Cboe One Feed Fee Filings''). *See also, e.g.,* Securities Exchange Act Release No. 20002, File No. S7–433 (July 22, 1983) (establishing nonprofessional fees for CTA data); *and* Nasdaq Rules 7023(b) and 7047.

[21] *See* Nasdaq Basic, *http://www.nasdaqtrader.com/Trader.aspx?id=nasdaqbasic* (data feed offering the BBO and Last Sale information for all U.S. exchange-listed securities based on liquidity within the Nasdaq market center, as well as trades reported to the FINRA/Nasdaq Trade Reporting Facility (''TRF'')); Nasdaq NLS Plus, *http://www.nasdaqtrader.com/Trader.aspx?id=NLSplus* (data feed providing last sale data as well as consolidated volume from the following Nasdaq OMX markets for U.S. exchange-listed securities: Nasdaq, FINRA/Nasdaq TRF, Nasdaq OMX BX, and Nasdaq OMX PSX); Securities Exchange Act Release No. 73553 (November 6, 2014), 79 FR 67491 (November 13, 2014) (SR–NYSE–2014–40) (Notice of Amendment No. 1 and Order Granting Accelerated Approval to a Proposed Rule Change, as Modified by Amendment No.1, To Establish the NYSE Best Quote & Trades (''BQT'') Data Feed); *https://www.nyse.com/market-data/real-time/nyse-bqt* (data feed providing unified view of BBO and last sale information for the NYSE, NYSE Arca, and NYSE MKT).

[22] *Id. See also* Nasdaq's Global Index Data Service (''GIDS'') *available at http://business.nasdaq.com/intel/indexes/index-data/index.html#!/tcm:5044-12151* (providing on a real-time basis intraday portfolio values, daily valuation information, such as NAV per Share, estimated cash per Share, estimated cash per creation unit, total cash per creation unit and total shares outstanding of the fund and ETF directory messages designed to provide the symbols of the ETF valuations). *See* footnote 28 of Securities Exchange Act Release No. 77714 (April 26, 2016), 81 FR 26281 (May 2, 2016) (describing Nasdaq's GIDS within the order approving SR–Nasdaq–2016–028). *See also* footnote 29 of Securities Exchange Act Release No. 78592 (August 16, 2016), 81 FR 56729 (August 22, 2016) (describing Nasdaq's GIDS within the order approving SR–Nasdaq–2016–061). *See, e.g.,* the NYSE Arca, Inc.'s (''NYSE Arca'') EOD ETF Report *available at http://www.nyxdata.com/Data-Products/NYSE-Arca-EOD-ETF-Report* (providing information such as the ETF's closing trades and quotes at different key points during the trading day, as well referential information such as shares outstanding, the primary market, and NAV).

are not present here. The proposed changes are limited to fees for Internal Distributers who use the data for internal use only and not for the redistribution and sale to external parties.

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

The Exchange has neither solicited nor received written 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) of the Act [23] and paragraph (f) of Rule 19b–4 thereunder.[24] 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–CboeBZX–2017–019 on the subject line.

Paper Comments

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to File Number SR–CboeBZX–2017–019. 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 website (*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 website 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–CboeBZX–2017–019 and should be submitted on or before February 1, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[25]

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2018–00309 Filed 1–10–18; 8:45 am]

BILLING CODE 8011–01–P

[23] 15 U.S.C. 78s(b)(3)(A).

[24] 17 CFR 240.19b–4(f).

[25] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release Nos. 33–10451; 34–82455; IA–4842; IC–32963]

Adjustments to Civil Monetary Penalty Amounts

AGENCY: Securities and Exchange Commission.

ACTION: Notice of annual inflation adjustment of civil monetary penalties.

SUMMARY: The Securities and Exchange Commission (the ''Commission'') is publishing this notice pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (the ''2015 Act''). This Act requires all agencies to annually adjust for inflation the civil monetary penalties that can be imposed under the statutes administered by the agency and publish the adjusted amounts in the **Federal Register**. This notice sets forth the annual inflation adjustment of the maximum amount of civil monetary penalties (''CMPs'') administered by the Commission under the Securities Act of 1933, the Securities Exchange Act of 1934 (the ''Exchange Act''), the Investment Company Act of 1940, the Investment Advisers Act of 1940, and certain penalties under the Sarbanes-Oxley Act of 2002. These amounts are effective beginning on January 15, 2018, and will apply to all penalties imposed after that date for violations of the aforementioned statutes that occurred after November 2, 2015.

FOR FURTHER INFORMATION CONTACT: James A. Cappoli, Assistant General Counsel, Office of the General Counsel, at (202) 551–7923, or Stephen M. Ng, Senior Special Counsel, Office of the General Counsel, at (202) 551–7957.

SUPPLEMENTARY INFORMATION:

I. Background

This notice is being published pursuant to the 2015 Act,[1] which amended the Federal Civil Penalties Inflation Adjustment Act of 1990 (the ''Inflation Adjustment Act'').[2] The Inflation Adjustment Act previously had been amended by the Debt Collection Improvement Act of 1996 (the ''DCIA'') [3] to require that each federal agency adopt regulations at least once every four years that adjust for inflation the CMPs that can be imposed under the statutes administered by the agency. Pursuant to this requirement, the Commission previously adopted regulations in 1996, 2001, 2005, 2009, and 2013 to adjust the maximum amount of the CMPs that could be imposed under the statutes the Commission administers.[4]

The 2015 Act replaces the inflation adjustment formula prescribed in the DCIA with a new formula for calculating the inflation-adjusted amount of CMPs. The 2015 Act requires that agencies use this new formula to re-calculate the inflation-adjusted amounts of the

[1] Public Law 114–74 Sec. 701, 129 Stat. 599–601 (Nov. 2, 2015), codified at 28 U.S.C. 2461 note.

[2] Public Law 101–410, 104 Stat. 890–892 (1990), codified at 28 U.S.C. 2461 note.

[3] Public Law 104–134, Title III, § 31001(s)(1), 110 Stat. 1321–373 (1996), codified at 28 U.S.C. 2461 note.

[4] *See* Release Nos. 33–7361, 34–37912, IA–1596, IC–22310, dated November 1, 1996 (effective December 9, 1996), previously found at 17 CFR 201.1001 and Table I to Subpart E of Part 201; Release Nos. 33–7946, 34–43897, IA–1921, IC–24846, dated January 31, 2001 (effective February 2, 2001), previously found at 17 CFR 201.1002 and Table II to Subpart E of Part 201; Release Nos. 33–8530, 34–51136, IA–2348, IC–26748, dated February 9, 2005 (effective February 14, 2005), previously found at 17 CFR 201.1003 and Table III to Subpart E of Part 201; Release Nos. 33–9009, 34–59449, IA–2845, IC–28635, dated February 25, 2009 (effective March 3, 2009), previously found at 17 CFR 201.1004 and Table IV to Subpart E of Part 201; and Release Nos. 33–9387, 34–68994, IA–3557, IC–30408, dated February 27, 2013 (effective March 5, 2013), previously found at 17 CFR 201.1005 and Table V to Subpart E of Part 201. The penalty amounts contained in these releases have now been consolidated into Table I to 17 CFR 201.1001.

penalties they administer on an annual basis and publish these new amounts in the **Federal Register** by January 15 of each year.[5] The Commission previously published the first annual adjustment required by the 2015 Act on January 6, 2017 (the ''2017 Adjustment'').[6] As part of the 2017 Adjustment, the Commission promulgated 17 CFR 201.1001(a) and Table I to Subsection 1001, which lists the penalty amounts for all violations that occurred on or before November 2, 2015. For violations occurring after November 2, 2015, Subsection 1001(b) provides that the applicable penalty amounts will be adjusted annually based on the formula set forth in the 2015 Act. Subsection 1001(b) further provides that these adjusted amounts will be published in the **Federal Register** and on the Commission's website.

A CMP is defined in relevant part as any penalty, fine, or other sanction that: (1) Is for a specific amount, or has a maximum amount, as provided by federal law; and (2) is assessed or enforced by an agency in an administrative proceeding or by a federal court pursuant to federal law.[7] This definition applies to the monetary penalty provisions contained in four statutes administered by the Commission: The Securities Act, the Exchange Act, the Investment Company Act, and the Investment Advisers Act. In addition, the Sarbanes-Oxley Act of 2002 provides the Public Company Accounting Oversight Board (the ''PCAOB'') authority to levy civil monetary penalties in its disciplinary proceedings pursuant to 15 U.S.C. 7215(c)(4)(D).[8] The definition of a CMP in the Inflation Adjustment Act encompasses such civil monetary penalties.[9]

II. Adjusting the commission's penalty amounts for inflation

This notice sets forth the annual inflation adjustment required by the 2015 Act for all CMPs under the Securities Act, the Exchange Act, the Investment Company Act, and the Investment Advisers Act, and certain civil monetary penalties under the Sarbanes-Oxley Act.

Pursuant to the 2015 Act, the penalty amounts in the 2017 Adjustment are adjusted for inflation by increasing them by the percentage change between the Consumer Price Index for all Urban Consumers (''CPI–U'') for October 2016 and the October 2017 CPI–U.[10] OMB has provided its calculation of this multiplier (the ''CPI–U Multiplier'') to agencies.[11] The new penalty amounts are determined by multiplying the current penalty amounts by the CPI–U Multiplier and then rounding to the nearest dollar.

For example, the CMP for certain insider trading violations by controlling persons under Exchange Act Section 21A(a)(3)[12] was readjusted for inflation as part of the 2017 Adjustment to $2,011,061. To determine the new CMP under this provision, the Commission multiplies this amount by the CPI–U Multiplier of 1.02041, and rounds to the nearest dollar. Thus, the new CMP for Exchange Act Section 21A(a)(3) is $2,052,107.

Below is the Commission's calculation of the new penalty amounts for the penalties it administers:

U.S. Code citation	Civil monetary penalty description	2017 Adjustment penalty amounts	CPI–U multiplier	2018 Adjusted penalty amounts
15 U.S.C. 77h–1(g) (Securities Act Sec. 8A(g)).	For natural person	$8,289	1.02041	$8,458
	For any other person	82,893	1.02041	84,585
	For natural person/fraud	82,893	1.02041	84,585
	For any other person/fraud	414,466	1.02041	422,925
	For natural person/fraud/substantial losses or risk of losses to others or gains to self.	165,787	1.02041	169,171
	For any other person/fraud/substantial losses or risk of losses to others or gain to self.	801,299	1.02041	817,654
15 U.S.C. 77t(d) (Securities Act Sec. 20(d))	For natural person	9,054	1.02041	9,239
	For any other person	90,535	1.02041	92,383
	For natural person/fraud	90,535	1.02041	92,383
	For any other person/fraud	452,677	1.02041	461,916
	For natural person/fraud/substantial losses or risk of losses to others.	181,071	1.02041	184,767
	For any other person/fraud/substantial losses or risk of losses to others.	905,353	1.02041	923,831
15 U.S.C. 78u(d)(3) (Exchange Act Sec. 21(d)(3)).	For natural person	9,054	1.02041	9,239
	For any other person	90,535	1.02041	92,383
	For natural person/fraud	90,535	1.02041	92,383
	For any other person/fraud	452,677	1.02041	461,916
	For natural person/fraud/substantial losses or risk of losses to others or gains to self.	181,071	1.02041	184,767
	For any other person/fraud/substantial losses or risk of losses to others or gain to self.	905,353	1.02041	923,831
15 U.S.C. 78u–1(a)(3) (Exchange Act Sec. 21A(a)(3)).	Insider Trading—controlling person	2,011,061	1.02041	2,052,107

[5] 28 U.S.C. 2461 note Sec. 4.

[6] Release Nos. 33–10276; 34–79749; IA–4599; IC–32414 (effective Jan. 18, 2017).

[7] 28 U.S.C. 2461 note Sec. 3(2).

[8] 15 U.S.C. 7215(c)(4)(D).

[9] The Commission may by order affirm, modify, remand, or set aside sanctions, including civil monetary penalties, imposed by the PCAOB. *See* Section 107(c) of the Sarbanes-Oxley Act of 2002, 15 U.S.C. 7217. The Commission may enforce such orders in federal district court pursuant to Section 21(e) of the Exchange Act. As a result, penalties assessed by the PCAOB in its disciplinary proceedings are penalties ''enforced'' by the Commission for purposes of the Inflation Adjustment Act. *See Adjustments to Civil Monetary Penalty Amounts,* Release No. 33–8530 (Feb. 4, 2005) [70 FR 7606 (Feb. 14, 2005)].

[10] 28 U.S.C. 2461 note Sec. 5.

[11] Office of Management and Budget, *Implementation of Penalty Inflation Adjustments for 2018, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015* (December 15, 2017), available at *https://www.whitehouse.gov/wp-content/uploads/2017/11/M-18-03.pdf.* This multiplier represents the percentage increase between the October 2016 CPI–U and the October 2017 CPI–U, plus 1.

[12] 15 U.S.C. 78u–1(a)(3).

U.S. Code citation	Civil monetary penalty description	2017 Adjustment penalty amounts	CPI–U multiplier	2018 Adjusted penalty amounts
15 U.S.C. 78u–2 (Exchange Act Sec. 21B)	For natural person	9,054	1.02041	9,239
	For any other person	90,535	1.02041	92,383
	For natural person/fraud	90,535	1.02041	92,383
	For any other person/fraud	452,677	1.02041	461,916
	For natural person/fraud/substantial losses or risk of losses to others.	181,071	1.02041	184,767
	For any other person/fraud/substantial losses or risk of losses to others.	905,353	1.02041	923,831
15 U.S.C. 78ff(b) (Exchange Act Sec. 32(b))	Exchange Act/failure to file information documents, reports.	534	1.02041	545
15 U.S.C. 78ff(c)(1)(B) (Exchange Act Sec. 32(c)(1)(B)).	Foreign Corrupt Practices—any issuer	20,111	1.02041	20,521
15 U.S.C. 78ff(c)(2)(B) (Exchange Act Sec. 32(c)(2)(B)).	Foreign Corrupt Practices—any agent or stockholder acting on behalf of issuer.	20,111	1.02041	20,521
15 U.S.C. 80a–9(d) (Investment Company Act Sec. 9(d)).	For natural person	9,054	1.02041	9,239
	For any other person	90,535	1.02041	92,383
	For natural person/fraud	90,535	1.02041	92,383
	For any other person/fraud	452,677	1.02041	461,916
	For natural person/fraud/substantial losses or risk of losses to others or gains to self.	181,071	1.02041	184,767
	For any other person/fraud/substantial losses or risk of losses to others or gain to self.	905,353	1.02041	923,831
15 U.S.C. 80a–41(e) (Investment Company Act Sec. 42(e)).	For natural person	9,054	1.02041	9,239
	For any other person	90,535	1.02041	92,383
	For natural person/fraud	90,535	1.02041	92,383
	For any other person/fraud	452,677	1.02041	461,916
	For natural person/fraud/substantial losses or risk of losses to others.	181,071	1.02041	184,767
	For any other person/fraud/substantial losses or risk of losses to others.	905,353	1.02041	923,831
15 U.S.C. 80b–3(i) (Investment Advisers Act Sec. 203(i)).	For natural person	9,054	1.02041	9,239
	For any other person	90,535	1.02041	92,383
	For natural person/fraud	90,535	1.02041	92,383
	For any other person/fraud	452,677	1.02041	461,916
	For natural person/fraud/substantial losses or risk of losses to others or gains to self.	181,071	1.02041	184,767
	For any other person/fraud/substantial losses or risk of losses to others or gain to self.	905,353	1.02041	923,831
15 U.S.C. 80b–9(e) (Investment Advisers Act Sec. 209(e)).	For natural person	9,054	1.02041	9,239
	For any other person	90,535	1.02041	92,383
	For natural person/fraud	90,535	1.02041	92,383
	For any other person/fraud	452,677	1.02041	461,916
	For natural person/fraud/substantial losses or risk of losses to others.	181,071	1.02041	184,767
	For any other person/fraud/substantial losses or risk of losses to others.	905,353	1.02041	923,831
15 U.S.C. 7215(c)(4)(D)(i) (Sarbanes-Oxley Act Sec. 105(c)(4)(D)(i)).	For natural person	133,331	1.02041	136,052
	For any other person	2,666,624	1.02041	2,721,050
15 U.S.C. 7215(c)(4)(D)(ii) (Sarbanes-Oxley Act Sec. 105(c)(4)(D)(ii)).	For natural person	999,984	1.02041	1,020,394
	For any other person	19,999,678	1.02041	20,407,871

Pursuant to the 2015 Act and 17 CFR 201.1001, the adjusted penalty amounts in this notice (and all penalty adjustments performed pursuant to the 2015 Act) apply to penalties imposed after the date the adjustment is effective for violations that occurred after November 2, 2015, the 2015 Act's enactment date. These penalty amounts supersede the amounts in the 2017 Adjustment.[13] For violations that occurred on or before November 2, 2015, the penalty amounts in Table I to 17 CFR 201.1001 continue to apply.[14]

By the Commission.

[13] The penalty amounts in this notice are being published in the **Federal Register** and will not be added to the Code of Federal Regulations in accordance with the 2015 Act and 17 CFR 201.1001(b). *See* 28 U.S.C. 2461 note Sec. 4(a)(2); 17 CFR 201.1001(b). In addition to being published in the **Federal Register**, the penalty amounts in this notice will be made available on the Commission's website at *https://www.sec.gov/enforce/civil-penalties-inflation-adjustments.htm,* as detailed in 17 CFR 201.1001(b). This website also lists the penalty amounts for violations that occurred on or before November 2, 2015.

[14] 17 CFR 201.1001(a).

Dated: January 2018.

Brent J. Fields,

Secretary.

[FR Doc. 2018–00387 Filed 1–10–18; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–82451; File No. 4–698]

Joint Industry Plan; Notice of Filing and Immediate Effectiveness of Amendment No. 4 to the National Market System Plan Governing the Consolidated Audit Trail by Cboe BYX Exchange, Inc., Cboe BZX Exchange, Inc., Cboe EDGA Exchange, Inc., Cboe EDGX Exchange, Inc., BOX Options Exchange LLC, Cboe C2 Exchange, Inc., Cboe Exchange, Inc., Chicago Stock Exchange, Inc., Financial Industry Regulatory Authority, Inc., Investors' Exchange LLC, Miami International Securities Exchange, LLC, MIAX PEARL, LLC, Nasdaq BX, Inc., Nasdaq GEMX, LLC, Nasdaq ISE, LLC, Nasdaq MRX, LLC, Nasdaq PHLX LLC, The Nasdaq Stock Market LLC, New York Stock Exchange LLC, NYSE Arca, Inc., NYSE American, LLC and NYSE National, Inc.

January 5, 2018.

I. Introduction

On December 11, 2017, the Operating Committee for CAT NMS, LLC (the ''Company''), on behalf of the following parties to the National Market System Plan Governing the Consolidated Audit Trail (the ''CAT NMS Plan'' or ''Plan''): [1] Cboe BYX Exchange, Inc., (previously known as Bats BYX Exchange, Inc.), Cboe BZX Exchange, Inc. (previously known as Bats BZX Exchange), Inc., Cboe EDGA Exchange, Inc. (previously known as Bats EDGA Exchange, Inc.), Cboe EDGX Exchange, Inc. (previously known as Bats EDGX Exchange, Inc.), BOX Options Exchange LLC, Cboe C2 Exchange, Inc., Cboe Exchange, Inc., Chicago Stock Exchange, Inc., Financial Industry Regulatory Authority, Inc., Nasdaq ISE, LLC (previously known as International Securities Exchange, Inc.), Investors' Exchange, LLC, Nasdaq GEMX (previously known as ISE Gemini, LLC), Nasdaq MRX (previously known as ISE Mercury, LLC), Miami International Securities Exchange, LLC, MIAX PEARL, LLC, Nasdaq BX, Inc. (previously known as NASDAQ BX, Inc.), Nasdaq PHLX LLC (previously known as NASDAQ PHLX LLC), The NASDAQ Stock Market LLC, National Stock Exchange, Inc., New York Stock Exchange LLC, NYSE Arca, Inc., and NYSE American (previously known as NYSE MKT, LLC) (collectively, the ''Participants,'' ''self-regulatory organizations'' or ''SROs'') filed with the Securities and Exchange Commission (''Commission'' or ''SEC'') pursuant to Section 11A(a)(3) of the Securities Exchange Act of 1934 (''Exchange Act'') [2] and Rule 608 thereunder,[3] a proposal to amend the Plan (''Amendment No. 4'').[4] The proposed amendment would add a fee schedule to a new Exhibit B of the Plan which sets forth the CAT fees to be paid by the Participants. A copy of proposed Exhibit B to the CAT NMS Plan is attached as Appendix A hereto. The Participants have also included, and as attached hereto, an Appendix B containing two charts, one listing the current Equity Execution Venues, each with its rank and tier, and one listing the current Options Execution Venues, each with its rank and tier. The Commission is publishing this notice to solicit comments from interested persons on Amendment No. 4.[5]

II. Description of the Plan

Set forth in this Section II is the statement of the purpose and summary of Amendment No. 4, along with the information required by Rule 608(a)(4) and (5) under the Exchange Act,[6] prepared and submitted by the Participants to the Commission.[7]

A. Description of the Amendments to the CAT NMS Plan

(1) Executive Summary

The following provides an executive summary of the CAT funding model approved by the Operating Committee, as well as Participants' obligations related to the payment of CAT Fees calculated pursuant to the CAT funding model. A detailed description of the CAT funding model and the CAT Fees follows this executive summary.

- *CAT Costs.* The CAT funding model is designed to establish CAT-specific fees to collectively recover the costs of building and operating the CAT from all CAT Reporters, including Industry Members and Participants. The overall CAT costs used in calculating the CAT Fees in this fee filing are comprised of Plan Processor CAT costs and non-Plan Processor CAT costs incurred, and estimated to be incurred, from November 21, 2016 through November 21, 2017. Although the CAT costs from November 21, 2016 through November 21, 2017 were used in calculating the CAT Fees, the CAT Fees set forth in this fee filing would be in effect until the automatic sunset date, as discussed below. (*See* Section A(2)(E) below)
- *Bifurcated Funding Model.* The CAT NMS Plan requires a bifurcated funding model, where costs associated with building and operating the CAT would be borne by (1) Participants and Industry Members that are Execution Venues for Eligible Securities through fixed tier fees based on market share, and (2) Industry Members (other than alternative trading systems (''ATSs'') that execute transactions in Eligible Securities (''Execution Venue ATSs'')) through fixed tier fees based on message traffic for Eligible Securities. (*See* Section A(2) below)

[1] On February 27, 2015, BATS–Y Exchange, Inc. (n/k/a Cboe BYX Exchange, Inc.), BATS Exchange, Inc. (n/k/a Cboe BZX Exchange, Inc.), BOX Options Exchange LLC, C2 Options Exchange, Incorporated (n/k/a Cboe C2 Exchange, Inc.), Chicago Board Options Exchange, Incorporated (n/k/a Cboe Exchange, Inc.), Chicago Stock Exchange, Inc., EDGA Exchange, Inc. (n/k/a Cboe EDGA Exchange, Inc.), EDGX Exchange, Inc. (n/k/a Cboe EDGX Exchange, Inc.), Financial Industry Regulatory Authority, Inc., International Securities Exchange, LLC (n/k/a Nasdaq ISE, LLC), ISE Gemini, LLC (n/k/a Nasdaq GEMX, LLC), Miami International Securities Exchange LLC, NASDAQ OMX BX, Inc. (n/k/a Nasdaq BX, Inc.), NASDAQ OMX PHLX LLC (n/k/a Nasdaq PHLX LLC), The NASDAQ Stock Market LLC, National Stock Exchange, Inc. (n/k/a NYSE National, Inc.), New York Stock Exchange LLC, NYSE MKT LLC (n/k/a NYSE American LLC), and NYSE Arca, Inc. filed with the Commission, pursuant to Section 11A of the Exchange Act and Rule 608 of Regulation NMS thereunder, the CAT NMS Plan. 15 U.S.C. 78k–1; 17 CFR 242.608. The Plan was published for comment in the **Federal Register** on May 17, 2016, and approved by the Commission, as modified, on November 15, 2016. *See* Securities Exchange Act Release Nos. 77724 (April 27, 2016), 81 FR 30614 (May 17, 2016); 79318 (November 15, 2016), 81 FR 84696 (November 23, 2016). On January 30, 2017, the Commission noticed for immediate effectiveness an amendment to the Plan to add MIAX PEARL, LLC as a Participant. *See* Securities Exchange Act Release No. 79898, 82 FR 9250 (February 3, 2017).

[2] 15 U.S.C 78k–1(a)(3).

[3] 17 CFR 242.608.

[4] *See* Letter from Michael Simon, CAT NMS Plan Operating Committee Chair, to Brent J. Fields, Secretary, Commission, dated December 11, 2017 (''Transmittal Letter''). The Participants previously submitted an amendment to the CAT NMS Plan to establish Participant fees (''Amendment No. 2''). *See* Letter from Michael Simon, Chair, CAT NMS Plan Operating Committee, to Brent J. Fields, Secretary, Commission, dated May 22, 2017. *See also* Securities Exchange Act Release No. 80930 (June 14, 2017), 82 FR 28180 (June 20, 2017), *available at https://www.sec.gov/rules/sro/nms/2017/34-80930.pdf.* The Commission issued an Order of Summary Abrogation of Amendment No. 2 on July 21, 2017, concluding that the amendment raised concerns and the justifications provided by the Participants were not sufficient for the Commission to determine whether the amendment was consistent with the Act. *See* Securities and Exchange Commission Release No. 81189 (July 21, 2017), 82 FR 35005 (July 27, 2017). On October 30, 2017, the Participants filed Amendment No. 3 to the CAT NMS Plan, which has been withdrawn and replaced and superseded in its entirety by Amendment No. 4.

[5] 17 CFR 242.608.

[6] *See* 17 CFR 242.608(a)(4) and (a)(5).

[7] *See* Transmittal Letter, *supra* note 4.

• *Industry Member Fees.* Each Industry Member (other than Execution Venue ATSs) will be placed into one of seven tiers of fixed fees, based on ''message traffic'' in Eligible Securities for a defined period (as discussed below). Prior to the start of CAT reporting, ''message traffic'' will be comprised of historical equity and equity options orders, cancels, quotes and executions provided by each exchange and the Financial Industry Regulatory Authority, Inc. (''FINRA'') over the previous three months. After an Industry Member begins reporting to the CAT, ''message traffic'' will be calculated based on the Industry Member's Reportable Events reported to the CAT. Industry Members with lower levels of message traffic will pay a lower fee and Industry Members with higher levels of message traffic will pay a higher fee. To avoid disincentives to quoting behavior, Options Market Maker and equity market maker quotes will be discounted when calculating message traffic. (*See* Section A(2)(B) below)

• *Execution Venue Fees.* Each Equity Execution Venue will be placed in one of four tiers of fixed fees based on market share, and each Options Execution Venue will be placed in one of two tiers of fixed fees based on market share. Equity Execution Venue market share will be determined by calculating each Equity Execution Venue's proportion of the total volume of NMS Stock and OTC Equity shares reported by all Equity Execution Venues during the relevant time period. For purposes of calculating market share, the OTC Equity Securities market share of Execution Venue ATSs trading OTC Equity Securities as well as the market share of the FINRA OTC reporting facility (''ORF'') will be discounted. Similarly, market share for Options Execution Venues will be determined by calculating each Options Execution Venue's proportion of the total volume of Listed Options contracts reported by all Options Execution Venues during the relevant time period. Equity Execution Venues with a larger market share will pay a larger CAT Fee than Equity Execution Venues with a smaller market share. Similarly, Options Execution Venues with a larger market share will pay a larger CAT Fee than Options Execution Venues with a smaller market share. (*See* Section A(2)(C) below)

• *Cost Allocation.* For the reasons discussed below, in designing the model, the Operating Committee determined that 75 percent of total costs recovered would be allocated to Industry Members (other than Execution Venue ATSs) and 25 percent would be allocated to Execution Venues. In addition, the Operating Committee determined to allocate 67 percent of Execution Venue costs recovered to Equity Execution Venues and 33 percent to Options Execution Venues. (*See* Section A(2)(D) below)

• *Comparability of Fees.* The CAT funding model charges CAT Reporters with the most CAT-related activity (measured by market share and/or message traffic, as applicable) comparable CAT Fees. (*See* Section A(2)(F) below)

• *Fee Schedule.* The quarterly CAT Fees for each tier for Participants are set forth in the two fee schedules in proposed Exhibit B to the CAT NMS Plan, one for Execution Venues for NMS Stocks and OTC Equity Securities, and one for Execution Venues for Listed Options. (*See* Section A(3) below)

• *Sunset Provision.* The CAT Fees set forth in proposed Exhibit B would sunset automatically two years from their operative date. (*See* Section A(2)(J) below)

(2) Description of the CAT Funding Model

Article XI of the CAT NMS Plan requires the Operating Committee to approve the operating budget, including projected costs of developing and operating the CAT for the upcoming year. In addition to a budget, Article XI of the CAT NMS Plan provides that the Operating Committee has discretion to establish funding for the Company, consistent with a bifurcated funding model, where costs associated with building and operating the Central Repository would be borne by (1) Participants and Industry Members that are Execution Venues through fixed tier fees based on market share, and (2) Industry Members (other than Execution Venue ATSs) through fixed tier fees based on message traffic. In its order approving the CAT NMS Plan, the Commission determined that the proposed funding model was ''reasonable'' [8] and ''reflects a reasonable exercise of the Participants' funding authority to recover the Participants' costs related to the CAT.'' [9]

More specifically, the Commission stated in approving the CAT NMS Plan that ''[t]he Commission believes that the proposed funding model is reasonably designed to allocate the costs of the CAT between the Participants and Industry Members.'' [10] The Commission further noted the following:

The Commission believes that the proposed funding model reflects a reasonable exercise of the Participants' funding authority to recover the Participants' costs related to the CAT. The CAT is a regulatory facility jointly owned by the Participants and . . . the Exchange Act specifically permits the Participants to charge members fees to fund their self-regulatory obligations. The Commission further believes that the proposed funding model is designed to impose fees reasonably related to the Participants' self-regulatory obligations because the fees would be directly associated with the costs of establishing and maintaining the CAT, and not unrelated SRO services.[11] Accordingly, the funding model approved by the Operating Committee imposes fees on both Participants and Industry Members.

As discussed in Appendix C of the CAT NMS Plan, in developing and approving the approved funding model, the Operating Committee considered the advantages and disadvantages of a variety of alternative funding and cost allocation models before selecting the proposed model.[12] After analyzing the various alternatives, the Operating Committee determined that the proposed tiered, fixed fee funding model provides a variety of advantages in comparison to the alternatives.

In particular, the fixed fee model, as opposed to a variable fee model, provides transparency, ease of calculation, ease of billing and other administrative functions, and predictability of a fixed fee. Such factors are crucial to estimating a reliable revenue stream for the Company and for permitting CAT Reporters to reasonably predict their payment obligations for budgeting purposes. Additionally, a strictly variable or metered funding model based on message volume would be far more likely to affect market behavior and place an inappropriate burden on competition.

In addition, reviews from varying time periods of current broker-dealer order and trading data submitted under existing reporting requirements showed a wide range in activity among broker-dealers, with a number of broker-dealers submitting fewer than 1,000 orders per month and other broker-dealers submitting millions and even billions of orders in the same period. Accordingly, the CAT NMS Plan includes a tiered approach to fees. The tiered approach helps ensure that fees are equitably allocated among similarly situated CAT

[8] Approval Order at 84796.

[9] *Id.* at 84794.

[10] *Id.* at 84795.

[11] *Id.* at 84794.

[12] Section B.7, Appendix C of the CAT NMS Plan, Approval Order at 85006.

Reporters and furthers the goal of lessening the impact on smaller firms.[13] In addition, in choosing a tiered fee structure, the Operating Committee concluded that the variety of benefits offered by a tiered fee structure, discussed above, outweighed the fact that CAT Reporters in any particular tier would pay different rates per message traffic order event or per market share (*e.g.,* an Industry Member with the largest amount of message traffic in one tier would pay a smaller amount per order event than an Industry Member in the same tier with the least amount of message traffic). Such variation is the natural result of a tiered fee structure.[14] The Operating Committee considered several approaches to developing a tiered model, including defining fee tiers based on such factors as size of firm, message traffic or trading dollar volume. After analyzing the alternatives, it was concluded that the tiering should be based on message traffic which will reflect the relative impact of CAT Reporters on the CAT System.

Accordingly, the CAT NMS Plan contemplates that costs will be allocated across the CAT Reporters on a tiered basis in order to allocate higher costs to those CAT Reporters that contribute more to the costs of creating, implementing and maintaining the CAT and lower costs to those that contribute less.[15] The fees to be assessed at each tier are calculated so as to recoup a proportion of costs appropriate to the message traffic or market share (as applicable) from CAT Reporters in each tier. Therefore, Industry Members generating the most message traffic will be in the higher tiers, and will be charged a higher fee. Industry Members with lower levels of message traffic will be in lower tiers and will be assessed a smaller fee for the CAT.[16] Correspondingly, Execution Venues with the highest market shares will be in the top tier, and will be charged higher fees. Execution Venues with the lowest market shares will be in the lowest tier and will be assessed smaller fees for the CAT.[17]

The CAT NMS Plan states that Industry Members (other than Execution Venue ATSs) will be charged based on message traffic, and that Execution Venues will be charged based on market share.[18] While there are multiple factors that contribute to the cost of building, maintaining and using the CAT, processing and storage of incoming message traffic is one of the most significant cost drivers for the CAT.[19] Thus, the CAT NMS Plan provides that the fees payable by Industry Members (other than Execution Venue ATSs) will be based on the message traffic generated by such Industry Member.[20]

In contrast to Industry Members, which determine the degree to which they produce message traffic that constitute CAT Reportable Events, the CAT Reportable Events of the Execution Venues are largely derivative of quotations and orders received from Industry Members that they are required to display. The business model for Execution Venues (other than FINRA), however, is focused on executions in their markets. As a result, the Operating Committee believes that it is more equitable to charge Execution Venues based on their market share rather than their message traffic.

Focusing on message traffic would make it more difficult to draw distinctions between large and small Execution Venues and, in particular, between large and small options exchanges. For instance, the Operating Committee analyzed the message traffic of Execution Venues and Industry Members for the period of April 2017 to June 2017 and placed all CAT Reporters into a nine-tier framework (*i.e.,* a single tier may include both Execution Venues and Industry Members). The Operating Committee's analysis found that the majority of exchanges (15 total) were grouped in Tiers 1 and 2. Moreover, virtually all of the options exchanges were in Tiers 1 and 2.[21] Given the resulting concentration of options exchanges in Tiers 1 and 2 under this approach, the analysis shows that a funding model for Execution Venues based on message traffic would make it more difficult to distinguish between large and small options exchanges, as compared to the proposed fee approach that bases fees for Execution Venues on market share.

The CAT NMS Plan's funding model also is structured to avoid a ''reduction in market quality.'' [22] The tiered, fixed fee funding model is designed to limit the disincentives to providing liquidity to the market. For example, the Operating Committee expects that a firm that has a large volume of quotes would likely be categorized in one of the upper tiers, and would not be assessed a fee for this traffic directly as they would under a more directly metered model. In contrast, strictly variable or metered funding models based on message volume are far more likely to affect market behavior. In approving the CAT NMS Plan, the SEC stated that ''[t]he Participants also offered a reasonable basis for establishing a funding model based on broad tiers, in that it may be . . . less likely to have an incremental deterrent effect on liquidity provision.'' [23]

The funding model also is structured to avoid a reduction market quality because it discounts Options Market Maker and equity market maker quotes when calculating message traffic for Options Market Makers and equity market makers, respectively. As discussed in more detail below, the Operating Committee determined to discount the Options Market Maker quotes by the trade to quote ratio for options when calculating message traffic for Options Market Makers. Similarly, to avoid disincentives to quoting behavior on the equities side as well, the Operating Committee determined to discount equity market maker quotes by the trade to quote ratio for equities when calculating message traffic for equity market makers. The proposed discounts recognize the value of the market makers' quoting activity to the market as a whole.

The CAT NMS Plan is further structured to avoid potential conflicts raised by the Operating Committee determining fees applicable to its own members—the Participants. First, the Company will operate on a ''break-even'' basis, with fees imposed to cover costs and an appropriate reserve. Any surpluses will be treated as an operational reserve to offset future fees and will not be distributed to the Participants as profits.[24] To ensure that the Participants' operation of the CAT will not contribute to the funding of their other operations, Section 11.1(c) of the CAT NMS Plan specifically states that ''[a]ny surplus of the Company's revenues over its expenses shall be treated as an operational reserve to offset future fees.'' In addition, as set forth in Article VIII of the CAT NMS Plan, the Company ''intends to operate in a manner such that it qualifies as a 'business league' within the meaning of Section 501(c)(6) of the [Internal

[13] Section B.7, Appendix C of the CAT NMS Plan, Approval Order at 85006.

[14] Moreover, as the SEC noted in approving the CAT NMS Plan, ''[t]he Participants also have offered a reasonable basis for establishing a funding model based on broad tiers, in that it may be easier to implement.'' Approval Order at 84796.

[15] Approval Order at 85005.

[16] *Id.*

[17] *Id.*

[18] Section 11.3(a) and (b) of the CAT NMS Plan.

[19] Section B.7, Appendix C of the CAT NMS Plan, Approval Order at 85005.

[20] Section 11.3(b) of the CAT NMS Plan.

[21] The Operating Committee notes that this analysis did not place MIAX PEARL in Tier 1 or Tier 2 since the exchange commenced trading on February 6, 2017.

[22] Section 11.2(e) of the CAT NMS Plan.

[23] Approval Order at 84796.

[24] *Id.* at 84792.

Revenue] Code.'' To qualify as a business league, an organization must ''not [be] organized for profit and no part of the net earnings of [the organization can] inure[] to the benefit of any private shareholder or individual.'' [25] As the SEC stated when approving the CAT NMS Plan, ''the Commission believes that the Company's application for Section 501(c)(6) business league status addresses issues raised by commenters about the Plan's proposed allocation of profit and loss by mitigating concerns that the Company's earnings could be used to benefit individual Participants.'' [26] The Internal Revenue Service recently has determined that the Company is exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code.

The funding model also is structured to take into account distinctions in the securities trading operations of Participants and Industry Members. For example, the Operating Committee designed the model to address the different trading characteristics in the OTC Equity Securities market. Specifically, the Operating Committee proposes to discount the OTC Equity Securities market share of Execution Venue ATSs trading OTC Equity Securities as well as the market share of the FINRA ORF by the average shares per trade ratio between NMS Stocks and OTC Equity Securities to adjust for the greater number of shares being traded in the OTC Equity Securities market, which is generally a function of a lower per share price for OTC Equity Securities when compared to NMS Stocks. In addition, the Operating Committee also proposes to discount Options Market Maker and equity market maker message traffic in recognition of their role in the securities markets. Furthermore, the funding model creates separate tiers for Equity and Options Execution Venues due to the different trading characteristics of those markets.

Finally, by adopting a CAT-specific fee, the Operating Committee will be fully transparent regarding the costs of the CAT. Charging a general regulatory fee, which would be used to cover CAT costs as well as other regulatory costs, would be less transparent than the selected approach of charging a fee designated to cover CAT costs only.

A full description of the funding model is set forth below. This description includes the framework for the funding model as set forth in the CAT NMS Plan, as well as the details as to how the funding model will be applied in practice, including the number of fee tiers and the applicable fees for each tier. The complete funding model is described below, including those fees that are to be paid by Industry Members. Proposed Exhibit B, however, does not apply to Industry Members; proposed Exhibit B only applies to Participants. The CAT Fees for Industry Members will be imposed separately pursuant to rules adopted by the individual self-regulatory organizations (''SROs[sic]).

(A) Funding Principles

Section 11.2 of the CAT NMS Plan sets forth the principles that the Operating Committee applied in establishing the funding for the Company. The Operating Committee has considered these funding principles as well as the other funding requirements set forth in the CAT NMS Plan and in Rule 613 in developing the proposed funding model. The following are the funding principles in Section 11.2 of the CAT NMS Plan:

- To create transparent, predictable revenue streams for the Company that are aligned with the anticipated costs to build, operate and administer the CAT and other costs of the Company;
- To establish an allocation of the Company's related costs among Participants and Industry Members that is consistent with the Exchange Act, taking into account the timeline for implementation of the CAT and distinctions in the securities trading operations of Participants and Industry Members and their relative impact upon the Company's resources and operations;
- To establish a tiered fee structure in which the fees charged to: (i) CAT Reporters that are Execution Venues, including ATSs, are based upon the level of market share; (ii) Industry Members' non-ATS activities are based upon message traffic; (iii) the CAT Reporters with the most CAT-related activity (measured by market share and/or message traffic, as applicable) are generally comparable (where, for these comparability purposes, the tiered fee structure takes into consideration affiliations between or among CAT Reporters, whether Execution Venue and/or Industry Members);
- To provide for ease of billing and other administrative functions;
- To avoid any disincentives such as placing an inappropriate burden on competition and a reduction in market quality; and
- To build financial stability to support the Company as a going concern.

(B) Industry Member Tiering

Under Section 11.3(b) of the CAT NMS Plan, the Operating Committee is required to establish fixed fees to be payable by Industry Members, based on message traffic generated by such Industry Member, with the Operating Committee establishing at least five and no more than nine tiers.

The CAT NMS Plan clarifies that the fixed fees payable by Industry Members pursuant to Section 11.3(b) shall, in addition to any other applicable message traffic, include message traffic generated by: (i) An ATS that does not execute orders that is sponsored by such Industry Member; and (ii) routing orders to and from any ATS sponsored by such Industry Member. In addition, the Industry Member fees will apply to Industry Members that act as routing broker-dealers for exchanges. The Industry Member fees will not be applicable, however, to an ATS that qualifies as an Execution Venue, as discussed in more detail in the section on Execution Venue tiering.

In accordance with Section 11.3(b), the Operating Committee approved a tiered fee structure for Industry Members (other than Execution Venue ATSs) as described in this section. In determining the tiers, the Operating Committee considered the funding principles set forth in Section 11.2 of the CAT NMS Plan, seeking to create funding tiers that take into account the relative impact on CAT System resources of different Industry Members, and that establish comparable fees among the CAT Reporters with the most Reportable Events. The Operating Committee has determined that establishing seven tiers results in an allocation of fees that distinguishes between Industry Members with differing levels of message traffic. Thus, each such Industry Member will be placed into one of seven tiers of fixed fees, based on ''message traffic'' for a defined period (as discussed below).

A seven tier structure was selected to provide a wide range of levels for tiering Industry Members such that Industry Members submitting significantly less message traffic to the CAT would be adequately differentiated from Industry Members submitting substantially more message traffic. The Operating Committee considered historical message traffic from multiple time periods, generated by Industry Members across all exchanges and as submitted to FINRA's Order Audit Trail System (''OATS''), and considered the distribution of firms with similar levels of message traffic, grouping together firms with similar levels of message

[25] 26 U.S.C. 501(c)(6).

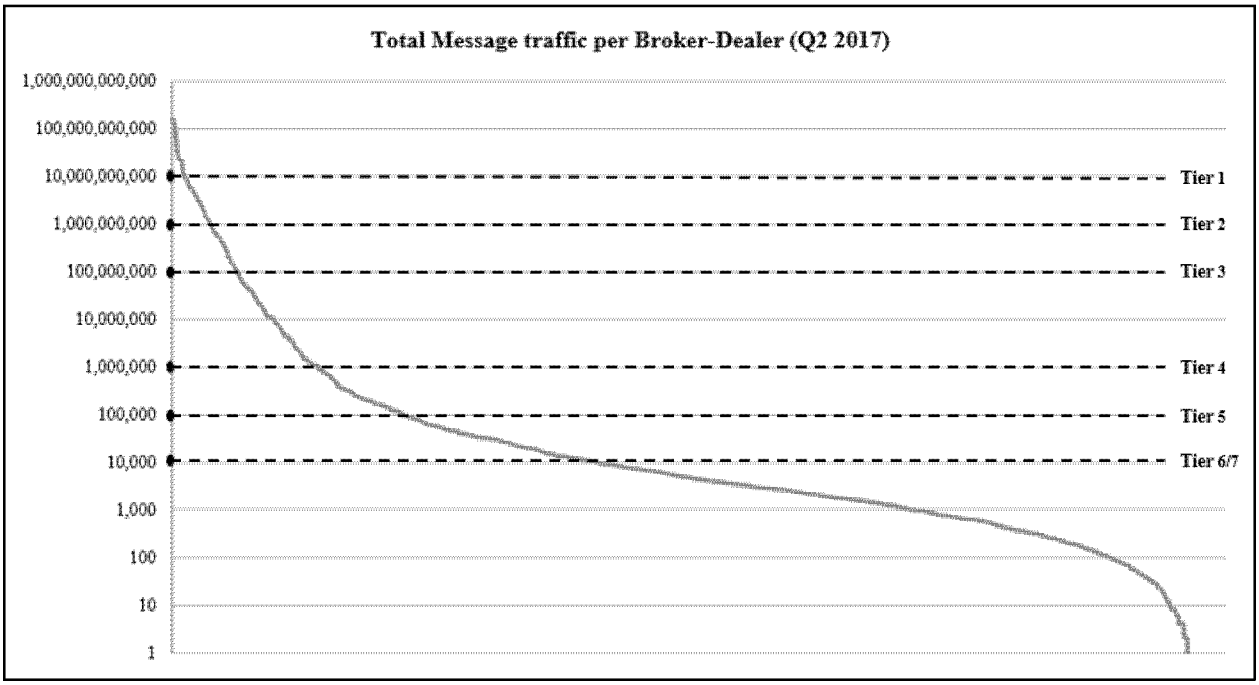
[26] Approval Order at 84793.

traffic. Based on this, the Operating Committee determined that seven tiers would group firms with similar levels of message traffic, charging those firms with higher impact on the CAT more, while lowering the burden on Industry Members that have less CAT-related activity. Furthermore, the selection of seven tiers establishes comparable fees among the largest CAT Reporters.

Each Industry Member (other than Execution Venue ATSs) will be ranked by message traffic and tiered by predefined Industry Member percentages (the ''Industry Member Percentages''). The Operating Committee determined to use predefined percentages rather than fixed volume thresholds to ensure that the total CAT Fees collected recover the expected CAT costs regardless of changes in the total level of message traffic. To determine the fixed percentage of Industry Members in each tier, the Operating Committee analyzed historical message traffic generated by Industry Members across all exchanges and as submitted to OATS, and considered the distribution of firms with similar levels of message traffic, grouping together firms with similar levels of message traffic. Based on this, the Operating Committee identified seven tiers that would group firms with similar levels of message traffic.

The percentage of costs recovered by each Industry Member tier will be determined by predefined percentage allocations (the ''Industry Member Recovery Allocation''). In determining the fixed percentage allocation of costs recovered for each tier, the Operating Committee considered the impact of CAT Reporter message traffic on the CAT System as well as the distribution of total message volume across Industry Members while seeking to maintain comparable fees among the largest CAT Reporters. Accordingly, following the determination of the percentage of Industry Members in each tier, the Operating Committee identified the percentage of total market volume for each tier based on the historical message traffic upon which Industry Members had been initially ranked. Taking this into account along with the resulting percentage of total recovery, the percentage allocation of costs recovered for each tier were assigned, allocating higher percentages of recovery to tiers with higher levels of message traffic while avoiding any inappropriate burden on competition. Furthermore, by using percentages of Industry Members and costs recovered per tier, the Operating Committee sought to include elasticity within the funding model, allowing the funding model to respond to changes in either the total number of Industry Members or the total level of message traffic.

The following chart illustrates the breakdown of seven Industry Member tiers across the monthly average of total equity and equity options orders, cancels, quotes and executions in the second quarter of 2017 as well as message traffic thresholds between the largest of Industry Member message traffic gaps. The Operating Committee referenced similar distribution illustrations to determine the appropriate division of Industry Member percentages in each tier by considering the grouping of firms with similar levels of message traffic and seeking to identify relative breakpoints in the message traffic between such groupings. In reviewing the chart and its corresponding table, note that while these distribution illustrations were referenced to help differentiate between Industry Member tiers, the proposed funding model is driven by fixed percentages of Industry Members across tiers to account for fluctuating levels of message traffic over time. This approach also provides financial stability for the CAT by ensuring that the funding model will recover the required amounts regardless of changes in the number of Industry Members or the amount of message traffic. Actual messages in any tier will vary based on the actual traffic in a given measurement period, as well as the number of firms included in the measurement period. The Industry Member Percentages and Industry Member Recovery Allocation for each tier will remain fixed with each Industry Member's tier to be reassigned periodically, as described below in Section A(2)(I).



Industry Member tier	Approximate Message Traffic per Industry Member (Q2 2017) (orders, quotes, cancels and executions)
Tier 1	>10,000,000,000
Tier 2	1,000,000,000–10,000,000,000
Tier 3	100,000,000–1,000,000,000
Tier 4	1,000,000–100,000,000
Tier 5	100,000–1,000,000
Tier 6	10,000–100,000
Tier 7	<10,000

Based on the above analysis, the Operating Committee approved the following Industry Member Percentages and Industry Member Recovery Allocations:

Industry Member tier	Percentage of Industry Members	Percentage of Industry Member recovery	Percentage of total recovery
Tier 1	0.900	12.00	9.00
Tier 2	2.150	20.50	15.38
Tier 3	2.800	18.50	13.88
Tier 4	7.750	32.00	24.00
Tier 5	8.300	10.00	7.50
Tier 6	18.800	6.00	4.50
Tier 7	59.300	1.00	0.75
Total	100	100	75

For the purposes of creating these tiers based on message traffic, the Operating Committee determined to define the term ''message traffic'' separately for the period before the commencement of CAT reporting and for the period after the start of CAT reporting. The different definition for message traffic is necessary as there will be no Reportable Events as defined in the Plan, prior to the commencement of CAT reporting. Accordingly, prior to the start of CAT reporting, ''message traffic'' will be comprised of historical equity and equity options orders, cancels, quotes and executions provided by each exchange and FINRA over the previous three months. Prior to the start of CAT reporting, orders would be comprised of the total number of equity and equity options orders received and originated

by a member of an exchange or FINRA over the previous three-month period, including principal orders, cancel/replace orders, market maker orders originated by a member of an exchange, and reserve (iceberg) orders as well as executions originated by a member of FINRA, and excluding order rejects, system-modified orders, order routes and implied orders.[27] In addition, prior to the start of CAT reporting, cancels would be comprised of the total number of equity and equity option cancels received and originated by a member of an exchange or FINRA over a three-month period, excluding order modifications (*e.g.,* order updates, order splits, partial cancels) and multiple cancels of a complex order. Furthermore, prior to the start of CAT reporting, quotes would be comprised of information readily available to the exchanges and FINRA, such as the total number of historical equity and equity options quotes received and originated by a member of an exchange or FINRA over the prior three-month period. Additionally, prior to the start of CAT reporting, executions would be comprised of the total number of equity and equity option executions received or originated by a member of an exchange or FINRA over a three-month period.

After an Industry Member begins reporting to the CAT, ''message traffic'' will be calculated based on the Industry Member's Reportable Events reported to the CAT as will be defined in the Technical Specifications.[28]

Quotes of Options Market Makers and equity market makers will be included in the calculation of total message traffic for those market makers for purposes of tiering under the CAT funding model both prior to CAT reporting and once CAT reporting commences.[29] To address potential concerns regarding burdens on competition or market quality of including quotes in the calculation of message traffic, however, the Operating Committee determined to discount the Options Market Maker quotes by the trade to quote ratio for options when calculating message traffic for Options Market Makers. Based on available data for June 2016 through June 2017, the trade to quote ratio for options is 0.01%. Similarly, to avoid disincentives to quoting behavior on the equities side, the Operating Committee determined to discount equity market maker quotes by the trade to quote ratio for equities. Based on available data for June 2016 through June 2017, the trade to quote ratio for equities is 5.43%.[30] The trade to quote ratio for options and the trade to quote ratio for equities will be calculated every three months when tiers are recalculated (as discussed below).

The Operating Committee has determined to calculate fee tiers every three months, on a calendar quarter basis, based on message traffic from the prior three months. Based on its analysis of historical data, the Operating Committee believes that calculating tiers based on three months of data will provide the best balance between reflecting changes in activity by Industry Members while still providing predictability in the tiering for Industry Members. Because fee tiers will be calculated based on message traffic from the prior three months, the Operating Committee will begin calculating message traffic based on an Industry Member's Reportable Events reported to the CAT once the Industry Member has been reporting to the CAT for three months. Prior to that, fee tiers will be calculated as discussed above with regard to the period prior to CAT reporting.

(C) Execution Venue Tiering

Under Section 11.3(a) of the CAT NMS Plan, the Operating Committee is required to establish fixed fees payable by Execution Venues. Section 1.1 of the CAT NMS Plan defines an Execution Venue as ''a Participant or an alternative trading system (''ATS'') (as defined in Rule 300 of Regulation ATS) that operates pursuant to Rule 301 of Regulation ATS (excluding any such ATS that does not execute orders).''[31]

The Operating Committee determined that ATSs should be included within the definition of Execution Venue. The Operating Committee believes that it is appropriate to treat ATSs as Execution Venues under the proposed funding model since ATSs have business models that are similar to those of exchanges, and ATSs also compete with exchanges.

Given the differences between Execution Venues that trade NMS Stocks and/or OTC Equity Securities and Execution Venues that trade Listed Options, Section 11.3(a) addresses Execution Venues that trade NMS Stocks and/or OTC Equity Securities separately from Execution Venues that trade Listed Options. Equity and Options Execution Venues are treated separately for two reasons. First, the differing quoting behavior of Equity and Options Execution Venues makes comparison of activity between such Execution Venues difficult. Second, Execution Venue tiers are calculated based on market share of share volume, and it is therefore difficult to compare market share between asset classes (*i.e.,* equity shares versus options contracts). Discussed below is how the funding model treats the two types of Execution Venues.

(I) NMS Stocks and OTC Equity Securities

Section 11.3(a)(i) of the CAT NMS Plan states that each Execution Venue that (i) executes transactions or, (ii) in the case of a national securities association, has trades reported by its members to its trade reporting facility or facilities for reporting transactions effected otherwise than on an exchange, in NMS Stocks or OTC Equity Securities will pay a fixed fee depending on the market share of that Execution Venue in NMS Stocks and OTC Equity Securities, with the Operating Committee establishing at least two and not more than five tiers of fixed fees, based on an Execution Venue's NMS Stocks and OTC Equity Securities market share. For these purposes, market share for Execution Venues that execute transactions will be calculated by share volume, and market share for a national securities association that has trades reported by its members to its trade reporting facility or facilities for reporting transactions effected otherwise than on an exchange in NMS Stocks or OTC Equity Securities will be

[27] Consequently, firms that do not have ''message traffic'' reported to an exchange or OATS before they are reporting to the CAT would not be subject to a fee until they begin to report information to CAT.

[28] If an Industry Member (other than an Execution Venue ATS) has no orders, cancels, quotes and executions prior to the commencement of CAT Reporting, or no Reportable Events after CAT reporting commences, then the Industry Member would not have a CAT Fee obligation.

[29] The SEC approved exemptive relief permitting Options Market Maker quotes to be reported to the Central Repository by the relevant Options Exchange in lieu of requiring that such reporting be done by both the Options Exchange and the Options Market Maker, as required by Rule 613 of Regulation NMS. *See* Securities Exchange Act Rel. No. 77265 (Mar. 1, 2017 [sic], 81 FR 11856 (Mar. 7, 2016). This exemption applies to Options Market Maker quotes for CAT reporting purposes only. Therefore, notwithstanding the reporting exemption provided for Options Market Maker quotes, Options Market Maker quotes will be included in the calculation of total message traffic for Options Market Makers for purposes of tiering under the CAT funding model both prior to CAT reporting and once CAT reporting commences.

[30] The trade to quote ratios were calculated based on the inverse of the average of the monthly equity SIP and OPRA quote to trade ratios from June 2016–June 2017 that were compiled by the Financial Information Forum using data from NASDAQ and SIAC.

[31] Although FINRA does not operate an execution venue, because it is a Participant, it is considered an ''Execution Venue'' under the Plan for purposes of determining fees.

calculated based on share volume of trades reported, provided, however, that the share volume reported to such national securities association by an Execution Venue shall not be included in the calculation of such national security association's market share.

In accordance with Section 11.3(a)(i) of the CAT NMS Plan, the Operating Committee approved a tiered fee structure for Equity Execution Venues and Option Execution Venues. In determining the Equity Execution Venue Tiers, the Operating Committee considered the funding principles set forth in Section 11.2 of the CAT NMS Plan, seeking to create funding tiers that take into account the relative impact on system resources of different Equity Execution Venues, and that establish comparable fees among the CAT Reporters with the most Reportable Events. Each Equity Execution Venue will be placed into one of four tiers of fixed fees, based on the Execution Venue's NMS Stocks and OTC Equity Securities market share. In choosing four tiers, the Operating Committee performed an analysis similar to that discussed above with regard to the non-Execution Venue Industry Members to determine the number of tiers for Equity Execution Venues. The Operating Committee determined to establish four tiers for Equity Execution Venues, rather than a larger number of tiers as established for non-Execution Venue Industry Members, because the four tiers were sufficient to distinguish between the smaller number of Equity Execution Venues based on market share. Furthermore, the selection of four tiers serves to help establish comparability among the largest CAT Reporters.

Each Equity Execution Venue will be ranked by market share and tiered by predefined Execution Venue percentages, (the ''Equity Execution Venue Percentages''). In determining the fixed percentage of Equity Execution Venues in each tier, the Operating Committee reviewed historical market share of share volume for Execution Venues. Equity Execution Venue market shares of share volume were sourced from market statistics made publicly-available by Bats Global Markets, Inc. (''Bats''). ATS market shares of share volume was sourced from market statistics made publicly-available by FINRA. FINRA trade reporting facility (''TRF'') and ORF market share of share volume was sourced from market statistics made publicly available by FINRA. Based on data from FINRA and otcmarkets.com, ATSs accounted for 39.12% of the share volume across the TRFs and ORFs during the recent tiering period. A 39.12/60.88 split was applied to the ATS and non-ATS breakdown of FINRA market share, with FINRA tiered based only on the non-ATS portion of its market share of share volume.

The Operating Committee determined to discount the OTC Equity Securities market share of Execution Venue ATSs trading OTC Equity Securities as well as the market share of the FINRA ORF in recognition of the different trading characteristics of the OTC Equity Securities market as compared to the market in NMS Stocks. Many OTC Equity Securities are priced at less than one dollar—and a significant number at less than one penny—per share and low-priced shares tend to trade in larger quantities. Accordingly, a disproportionately large number of shares are involved in transactions involving OTC Equity Securities versus NMS Stocks. Because the proposed fee tiers are based on market share calculated by share volume, Execution Venue ATSs trading OTC Equity Securities and FINRA would likely be subject to higher tiers than their operations may warrant. To address this potential concern, the Operating Committee determined to discount the OTC Equity Securities market share of Execution Venue ATSs trading OTC Equity Securities and the market share of the FINRA ORF by multiplying such market share by the average shares per trade ratio between NMS Stocks and OTC Equity Securities in order to adjust for the greater number of shares being traded in the OTC Equity Securities market. Based on available data for the second quarter of 2017, the average shares per trade ratio between NMS Stocks and OTC Equity Securities is 0.17%.[32] The average shares per trade ratio between NMS Stocks and OTC Equity Securities will be recalculated every three months when tiers are recalculated.

Based on this, the Operating Committee considered the distribution of Execution Venues, and grouped together Execution Venues with similar levels of market share. The percentage of costs recovered by each Equity Execution Venue tier will be determined by predefined percentage allocations (the ''Equity Execution Venue Recovery Allocation''). In determining the fixed percentage allocation of costs to be recovered from each tier, the Operating Committee considered the impact of CAT Reporter market share activity on the CAT System as well as the distribution of total market volume across Equity Execution Venues while seeking to maintain comparable fees among the largest CAT Reporters. Accordingly, following the determination of the percentage of Execution Venues in each tier, the Operating Committee identified the percentage of total market volume for each tier based on the historical market share upon which Execution Venues had been initially ranked. Taking this into account along with the resulting percentage of total recovery, the percentage allocation of cost recovery for each tier were assigned, allocating higher percentages of recovery to the tier with a higher level of market share while avoiding any inappropriate burden on competition. Furthermore, by using percentages of Equity Execution Venues and cost recovery per tier, the Operating Committee sought to include elasticity within the funding model, allowing the funding model to respond to changes in either the total number of Equity Execution Venues or changes in market share.

Based on this analysis, the Operating Committee approved the following Equity Execution Venue Percentages and Recovery Allocations:

Equity Execution Venue tier	Percentage of Equity Execution Venues	Percentage of Execution Venue recovery	Percentage of total recovery
Tier 1	25.00	33.25	8.31
Tier 2	42.00	25.73	6.43
Tier 3	23.00	8.00	2.00

[32] The average shares per trade ratio for both NMS Stocks and OTC Equity Securities from the second quarter of 2017 was calculated using publicly available market volume data from Bats and OTC Markets Group, and the totals were divided to determine the average number of shares per trade between NMS Stocks and OTC Equity Securities.

Equity Execution Venue tier	Percentage of Equity Execution Venues	Percentage of Execution Venue recovery	Percentage of total recovery
Tier 4	10.00	0.02	0.01
Total	100	67	16.75

(II) Listed Options

Section 11.3(a)(ii) of the CAT NMS Plan states that each Execution Venue that executes transactions in Listed Options will pay a fixed fee depending on the Listed Options market share of that Execution Venue, with the Operating Committee establishing at least two and no more than five tiers of fixed fees, based on an Execution Venue's Listed Options market share. For these purposes, market share will be calculated by contract volume.

In accordance with Section 11.3(a)(ii) of the CAT NMS Plan, the Operating Committee approved a tiered fee structure for Options Execution Venues. In determining the tiers, the Operating Committee considered the funding principles set forth in Section 11.2 of the CAT NMS Plan, seeking to create funding tiers that take into account the relative impact on system resources of different Options Execution Venues, and that establish comparable fees among the CAT Reporters with the most Reportable Events. Each Options Execution Venue will be placed into one of two tiers of fixed fees, based on the Execution Venue's Listed Options market share. In choosing two tiers, the Operating Committee performed an analysis similar to that discussed above with regard to Industry Members (other than Execution Venue ATSs) to determine the number of tiers for Options Execution Venues. The Operating Committee determined to establish two tiers for Options Execution Venues, rather than a larger number, because the two tiers were sufficient to distinguish between the smaller number of Options Execution Venues based on market share. Furthermore, due to the smaller number of Options Execution Venues, the incorporation of additional Options Execution Venue tiers would result in significantly higher fees for Tier 1 Options Execution Venues and reduce comparability between Execution Venues and Industry Members. Furthermore, the selection of two tiers served to establish comparable fees among the largest CAT Reporters.

Each Options Execution Venue will be ranked by market share and tiered by predefined Execution Venue percentages, (the ''Options Execution Venue Percentages''). To determine the fixed percentage of Options Execution Venues in each tier, the Operating Committee analyzed the historical and publicly available market share of Options Execution Venues to group Options Execution Venues with similar market shares across the tiers. Options Execution Venue market share of share volume were sourced from market statistics made publicly-available by Bats. The process for developing the Options Execution Venue Percentages was the same as discussed above with regard to Equity Execution Venues.

The percentage of costs to be recovered from each Options Execution Venue tier will be determined by predefined percentage allocations (the ''Options Execution Venue Recovery Allocation''). In determining the fixed percentage allocation of cost recovery for each tier, the Operating Committee considered the impact of CAT Reporter market share activity on the CAT System as well as the distribution of total market volume across Options Execution Venues while seeking to maintain comparable fees among the largest CAT Reporters. Furthermore, by using percentages of Options Execution Venues and cost recovery per tier, the Operating Committee sought to include elasticity within the funding model, allowing the funding model to respond to changes in either the total number of Options Execution Venues or changes in market share. The process for developing the Options Execution Venue Recovery Allocation was the same as discussed above with regard to Equity Execution Venues.

Based on this analysis, the Operating Committee approved the following Options Execution Venue Percentages and Recovery Allocations:

Options Execution Venue tier	Percentage of Options Execution Venues	Percentage of Execution Venue recovery	Percentage of total recovery
Tier 1	75.00	28.25	7.06
Tier 2	25.00	4.75	1.19
Total	100	33	8.25

(III) Market Share/Tier Assignments

The Operating Committee determined that, prior to the start of CAT reporting, market share for Execution Venues would be sourced from publicly-available market data. Options and equity volumes for Participants will be sourced from market data made publicly available by Bats while Execution Venue ATS volumes will be sourced from market data made publicly available by FINRA and OTC Markets. Set forth in Appendix B to this letter are two charts, one listing the current Equity Execution Venues, each with its rank and tier, and one listing the current Options Execution Venues, each with its rank and tier.

After the commencement of CAT reporting, market share for Execution Venues will be sourced from data reported to the CAT. Equity Execution Venue market share will be determined by calculating each Equity Execution Venue's proportion of the total volume of NMS Stock and OTC Equity shares reported by all Equity Execution Venues during the relevant time period (with the discounting of OTC Equity Securities market share of Execution Venue ATSs trading OTC Equity Securities as well as the market share of

the FINRA ORF, as described above). Similarly, market share for Options Execution Venues will be determined by calculating each Options Execution Venue's proportion of the total volume of Listed Options contracts reported by all Options Execution Venues during the relevant time period.

The Operating Committee has determined to calculate fee tiers for Execution Venues every three months based on market share from the prior three months. Based on its analysis of historical data, the Operating Committee believes calculating tiers based on three months of data will provide the best balance between reflecting changes in activity by Execution Venues while still providing predictability in the tiering for Execution Venues.

(D) Allocation of Costs

In addition to the funding principles discussed above, including comparability of fees, Section 11.1(c) of the CAT NMS Plan also requires expenses to be fairly and reasonably shared among the Participants and Industry Members. Accordingly, in developing the proposed fee schedules pursuant to the funding model, the Operating Committee calculated how the CAT costs would be allocated between Industry Members and Execution Venues, and how the portion of CAT costs allocated to Execution Venues would be allocated between Equity Execution Venues and Options Execution Venues. These determinations are described below.

(I) Allocation Between Industry Members and Execution Venues

In determining the cost allocation between Industry Members (other than Execution Venue ATSs) and Execution Venues, the Operating Committee analyzed a range of possible splits for revenue recovery from such Industry Members and Execution Venues, including 80%/20%, 75%/25%, 70%/30% and 65%/35% allocations. Based on this analysis, the Operating Committee determined that 75 percent of total costs recovered would be allocated to Industry Members (other than Execution Venue ATSs) and 25 percent would be allocated to Execution Venues. The Operating Committee determined that this 75%/25% division maintained the greatest level of comparability across the funding model. For example, the cost allocation establishes fees for the largest Industry Members (*i.e.,* those Industry Members in Tiers 1) that are comparable to the largest Equity Execution Venues and Options Execution Venues (*i.e.,* those Execution Venues in Tier 1).

Furthermore, the allocation of total CAT cost recovery recognizes the difference in the number of CAT Reporters that are Industry Members versus CAT Reporters that are Execution Venues. Specifically, the cost allocation takes into consideration that there are approximately 23 times more Industry Members expected to report to the CAT than Execution Venues (*e.g.,* an estimated 1541 Industry Members versus 67 Execution Venues as of June 2017).

(II) Allocation Between Equity Execution Venues and Options Execution Venues

The Operating Committee also analyzed how the portion of CAT costs allocated to Execution Venues would be allocated between Equity Execution Venues and Options Execution Venues. In considering this allocation of costs, the Operating Committee analyzed a range of alternative splits for revenue recovered between Equity and Options Execution Venues, including a 70%/30%, 67%/33%, 65%/35%, 50%/50% and 25%/75% split. Based on this analysis, the Operating Committee determined to allocate 67 percent of Execution Venue costs recovered to Equity Execution Venues and 33 percent to Options Execution Venues. The Operating Committee determined that a 67%/33% allocation between Equity and Options Execution Venues maintained the greatest level of fee equitability and comparability based on the current number of Equity and Options Execution Venues. For example, the allocation establishes fees for the larger Equity Execution Venues that are comparable to the larger Options Execution Venues. Specifically, Tier 1 Equity Execution Venues would pay a quarterly fee of $81,047 and Tier 1 Options Execution Venues would pay a quarterly fee of $81,379. In addition to fee comparability between Equity Execution Venues and Options Execution Venues, the allocation also establishes equitability between larger (Tier 1) and smaller (Tier 2) Execution Venues based upon the level of market share. Furthermore, the allocation is intended to reflect the relative levels of current equity and options order events.

(E) Fee Levels

The Operating Committee determined to establish a CAT-specific fee to collectively recover the costs of building and operating the CAT. Accordingly, under the funding model, the sum of the CAT Fees is designed to recover the total cost of the CAT. The Operating Committee has determined overall CAT costs to be comprised of Plan Processor costs and non-Plan Processor costs, which are estimated to be $50,700,000 in total for the year beginning November 21, 2016.[33]

The Plan Processor costs relate to costs incurred and to be incurred through November 21, 2017 by the Plan Processor and consist of the Plan Processor's current estimates of average yearly ongoing costs, including development costs, which total $37,500,000. This amount is based upon the fees due to the Plan Processor pursuant to the Company's agreement with the Plan Processor.

The non-Plan Processor estimated costs incurred and to be incurred by the Company through November 21, 2017 consist of three categories of costs. The first category of such costs are third party support costs, which include legal fees, consulting fees and audit fees from November 21, 2016 until the date of filing as well as estimated third party support costs for the rest of the year. These amount to an estimated $5,200,000. The second category of non-Plan Processor costs are estimated cyber-insurance costs for the year. Based on discussions with potential cyber-insurance providers, assuming $2–5 million cyber-insurance premium on $100 million coverage, the Company has estimated $3,000,000 for the annual cost. The final cost figures will be determined following receipt of final underwriter quotes. The third category of non-Plan Processor costs is the CAT operational reserve, which is comprised of three months of ongoing Plan Processor costs ($9,375,000), third party support costs ($1,300,000) and cyber-insurance costs ($750,000). The Operating Committee aims to accumulate the necessary funds to establish the three-month operating reserve for the Company through the CAT Fees charged to CAT Reporters for the year. On an ongoing basis, the Operating Committee will account for any potential need to replenish the operating reserve or other changes to total cost during its annual budgeting process. The following table summarizes the Plan Processor and non-

[33] It is anticipated that CAT-related costs incurred prior to November 21, 2016 will be addressed via a separate filing.

Plan Processor cost components which comprise the total estimated CAT costs of $50,700,000 for the covered period.

Cost category	Cost component	Amount
Plan Processor	Operational Costs	$37,500,000
Non-Plan Processor	Third Party Support Costs	5,200,000
	Operational Reserve	5,000,000 [34]
	Cyber-insurance Costs	3,000,000
Estimated Total		$50,700,000

Based on these estimated costs and the calculations for the funding model described above, the Operating Committee determined to impose the following fees: [35]

For Industry Members (other than Execution Venue ATSs):

Tier	Percentage of Industry Members	Quarterly CAT fee
1	0.900	$81,483
2	2.150	59,055
3	2.800	40,899
4	7.750	25,566
5	8.300	7,428
6	18.800	1,968
7	59.300	105

For Execution Venues for NMS Stocks and OTC Equity Securities:

Tier	Percentage of Equity Execution Venues	Quarterly CAT fee
1	25.00	$81,048
2	42.00	37,062
3	23.00	21,126
4	10.00	129

For Execution Venues for Listed Options:

Tier	Percentage of Options Execution Venues	Quarterly CAT fee
1	75.00	$81,381
2	25.00	37,629

The Operating Committee has calculated the schedule of effective fees for Industry Members (other than Execution Venue ATSs) and Execution Venues in the following manner. Note that the calculation of CAT Fees assumes 52 Equity Execution Venues, 15 Options Execution Venues and 1,541 Industry Members (other than Execution Venue ATSs) as of June 2017.

[34] This $5,000,000 represents the gradual accumulation of the funds for a target operating reserve of $11,425,000.

[35] Note that all monthly, quarterly and annual CAT Fees have been rounded to the nearest dollar.

CALCULATION OF ANNUAL TIER FEES FOR INDUSTRY MEMBERS (''IM'')

Industry Member tier	Percentage of Industry Members	Percentage of Industry Member recovery	Percentage of total recovery
Tier 1	0.900	12.00	9.00
Tier 2	2.150	20.50	15.38
Tier 3	2.800	18.50	13.88
Tier 4	7.750	32.00	24.00
Tier 5	8.300	10.00	7.50
Tier 6	18.800	6.00	4.50
Tier 7	59.300	1.00	0.75
Total	100	100	75

Industry Member tier	Estimated number of Industry Members
Tier 1	14
Tier 2	33
Tier 3	43
Tier 4	119
Tier 5	128
Tier 6	290
Tier 7	914
Total	1,541

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Calculation 1.1 (Calculation of a Tier 1 Industry Member Monthly Fee)

$$1{,}541\ [Estimated\ Tot.IMs]\ \times 0.9\%\ [\%\ of\ Tier\ 1\ IMs] = 14\ [Estimated\ Tier\ 1\ IMs]$$

$$\left(\frac{\$50{,}700{,}000\ [Tot.Ann.CAT\ Costs] \times 75\%\ [IM\ \%\ of\ Tot.Ann.CAT\ Costs] \times 12\%\ [\ \%\ of\ Tier\ 1\ IM\ Recovery]}{14\ [Estimated\ Tier\ 1\ IMs]}\right) \div 12\ [\text{Months per year}]\ = \$\mathbf{27{,}161}$$

Calculation 1.2 (Calculation of a Tier 2 Industry Member Monthly Fee)

$$1{,}541\ [Estimated\ Tot.IMs]\ \times 2.15\%\ [\%\ of\ Tier\ 2\ IMs] = 33\ [Estimated\ Tier\ 2\ IMs]$$

$$\left(\frac{\$50{,}700{,}000\ [Tot.Ann.CAT\ Costs] \times 75\%\ [IM\ \%\ of\ Tot.Ann.CAT\ Costs] \times 20.5\%\ [\ \%\ of\ Tier\ 2\ IM\ Recovery]}{33\ [Estimated\ Tier\ 2\ IMs]}\right) \div 12\ [\text{Months per year}] = \$\mathbf{19{,}685}$$

Calculation 1.3 (Calculation of a Tier 3 Industry Member Monthly Fee)

$$1{,}541\ [Estimated\ Tot.IMs]\ \times 2.125\%\ [\%\ of\ Tier\ 3\ IMs] = 43\ [Estimated\ Tier\ 3\ IMs]$$

$$\left(\frac{\$50{,}700{,}000\ [Tot.Ann.CAT\ Costs] \times 75\%\ [IM\ \%\ of\ Tot.Ann.CAT\ Costs] \times 18.5\%\ [\ \%\ of\ Tier\ 3\ IM\ Recovery]}{43\ [Estimated\ Tier\ 3\ IMs]}\right) \div 12\ [\text{Months per year}] = \$\mathbf{13{,}633}$$

Calculation 1.4 (Calculation of a Tier 4 Industry Member Monthly Fee)

$$1{,}541\ [Estimated\ Tot.IMs]\ \times 7.75\%\ [\%\ of\ Tier\ 4\ IMs] = 119\ [Estimated\ Tier\ 4\ IMs]$$

$$\left(\frac{\$50{,}700{,}000\ [Tot.Ann.CAT\ Costs] \times 75\%\ [IM\ \%\ of\ Tot.Ann.CAT\ Costs] \times 32\%\ [\ \%\ of\ Tier\ 4\ IM\ Recovery]}{119\ [Estimated\ Tier\ 4\ IMs]}\right) \div 12\ [\text{Months per year}] = \$\mathbf{8522}$$

Calculation 1.5 (Calculation of a Tier 5 Industry Member Annual Fee)

$$1{,}541\ [Estimated\ Tot.IMs]\ \times 8.3\%\ [\%\ of\ Tier\ 5\ IMs] = 128\ [Estimated\ Tier\ 5\ IMs]$$

$$\left(\frac{\$50{,}700{,}000\ [Tot.Ann.CAT\ Costs] \times 75\%\ [IM\ \%\ of\ Tot.Ann.CAT\ Costs] \times 7.75\%\ [\ \%\ of\ Tier\ 5\ IM\ Recovery]}{128\ [Estimated\ Tier\ 5\ IMs]}\right) \div 12\ [\text{Months per year}] = \$\mathbf{2476}$$

Calculation 1.6 (Calculation of a Tier 6 Industry Member Monthly Fee)

$$1{,}541\ [Estimated\ Tot.IMs]\ \times 18.8\%\ [\%\ of\ Tier\ 6\ IMs] = 290\ [Estimated\ Tier\ 6\ IMs]$$

$$\left(\frac{\$50{,}700{,}000\ [Tot.Ann.CAT\ Costs] \times 75\%\ [IM\ \%\ of\ Tot.Ann.CAT\ Costs] \times 6\%\ [\ \%\ of\ Tier\ 6\ IM\ Recovery]}{290\ [Estimated\ Tier\ 6\ IMs]}\right) \div 12\ [\text{Months per year}] = \$\mathbf{656}$$

Calculation 1.7 (Calculation of a Tier 7 Industry Member Monthly Fee)

$$1{,}541\ [Estimated\ Tot.IMs]\ \times 59.3\%\ [\%\ of\ Tier\ 7\ IMs] = 914\ [Estimated\ Tier\ 7\ IMs]$$

$$\left(\frac{\$50{,}700{,}000\ [Tot.Ann.CAT\ Costs] \times 75\%\ [IM\ \%\ of\ Tot.Ann.CAT\ Costs] \times 1\%\ [\ \%\ of\ Tier\ 7\ IM\ Recovery]}{914\ [Estimated\ Tier\ 7\ IMs]}\right) \div 12\ [\text{Months per year}] = \$\mathbf{35}$$

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CALCULATION OF ANNUAL TIER FEES FOR EQUITY EXECUTION VENUES ("EV")

Equity Execution Venue tier	Percentage of Equity Execution Venues	Percentage of Execution Venue recovery	Percentage of total recovery
Tier 1	25.00	33.25	8.31

CALCULATION OF ANNUAL TIER FEES FOR EQUITY EXECUTION VENUES (“EV”)—Continued

Equity Execution Venue tier	Percentage of Equity Execution Venues	Percentage of Execution Venue recovery	Percentage of total recovery
Tier 2	42.00	25.73	6.43
Tier 3	23.00	8.00	2.00
Tier 4	10.00	49.00	0.01
Total	100	67	16.75

Equity Execution Venue tier	Estimated number of Equity Execution Venues
Tier 1	13
Tier 2	22
Tier 3	12
Tier 4	5
Total	52

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Calculation 2.1 (Calculation of a Tier 1 Equity Execution Venue Monthly Fee)

$$52\ [Estimated\ Tot.Equity\ EVs]\ \times 25\%\ [\%\ of\ Tier\ 1\ Equity\ EVs] = 13\ [Estimated\ Tier\ 1\ Equity\ EVs]$$

$$\left(\frac{\$50{,}700{,}000\ [Tot.\ Ann.CAT\ Costs] \times 33.25\%\ [EV\ \%\ of\ Tot.Ann.CAT\ Costs] \times 26\%\ [\%\ of\ Tier\ 1\ Equity\ EV\ Recovery]}{13\ [Estimated\ Tier\ 1\ Equity\ EVs]}\right) \div 12\ [\text{Months per year}] = \$\mathbf{27{,}016}$$

Calculation 2.2 (Calculation of a Tier 2 Equity Execution Venue Monthly Fee)

$$52\ [Estimated\ Tot.Equity\ EVs]\ \times 42\%\ [\%\ of\ Tier\ 2\ Equity\ EVs] = 22\ [Estimated\ Tier\ 2\ Equity\ EVs]$$

$$\left(\frac{\$50{,}700{,}000\ [Tot.\ Ann.CAT\ Costs] \times 25\%\ [EV\ \%\ of\ Tot.Ann.CAT\ Costs] \times 25.73\%\ [\%\ of\ Tier\ 2\ Equity\ EV\ Recovery]}{22\ [Estimated\ Tier\ 2\ Equity\ EVs]}\right) \div 12\ [\text{Months per year}] = \$\mathbf{12{,}353}$$

Calculation 2.3 (Calculation of a Tier 3 Equity Execution Venue Monthly Fee)

$$52\ [Estimated\ Tot.Equity\ EVs]\ \times 23\%\ [\%\ of\ Tier\ 2\ Equity\ EVs] = 12\ [Estimated\ Tier\ 2\ Equity\ EVs]$$

$$\left(\frac{\$50{,}700{,}000\ [Tot.\ Ann.CAT\ Costs] \times 25\%\ [EV\ \%\ of\ Tot.Ann.CAT\ Costs] \times 8\%\ [\%\ of\ Tier\ 2\ Equity\ EV\ Recovery]}{12\ [Estimated\ Tier\ 2\ Equity\ EVs]}\right) \div 12\ [\text{Months per year}] = \$\mathbf{7{,}042}$$

Calculation 2.4 (Calculation of a Tier 4 Equity Execution Venue Monthly Fee)

$$52\ [Estimated\ Tot.Equity\ EVs]\ \times 10\%\ [\%\ of\ Tier\ 2\ Equity\ EVs] = 5\ [Estimated\ Tier\ 2\ Equity\ EVs]$$

$$\left(\frac{\$50{,}700{,}000\ [Tot.\ Ann.CAT\ Costs] \times 25\%\ [EV\ \%\ of\ Tot.Ann.CAT\ Costs] \times 0.02\%\ [\%\ of\ Tier\ 2\ Equity\ EV\ Recovery]}{5\ [Estimated\ Tier\ 2\ Equity\ EVs]}\right) \div 12\ [\text{Months per year}] = \$\mathbf{42}$$

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CALCULATION OF ANNUAL TIER FEES FOR OPTIONS EXECUTION VENUES ("EV")

Options Execution Venue tier	Percentage of Options Execution Venues	Percentage of Execution Venue recovery	Percentage of total recovery
Tier 1	75.00	28.25	7.06
Tier 2	25.00	4.75	1.19
Total	100	33	8.25

Options Execution Venue tier	Estimated number of Options Execution Venues
Tier 1	11
Tier 2	4
Total	15

Calculation 3.1 (Calculation of a Tier 1 Options Execution Venue Monthly Fee)

$$15\ [Estimated\ Tot.Options\ EVs]\ \times 75\%\ [\%\ of\ Tier\ 1\ Options\ EVs] = 11\ [Estimated\ Tier\ 1\ Options\ EVs]$$

$$\left(\frac{\$50{,}700{,}000\ [Tot.Ann.CAT\ Costs]\times 25\%\ [EV\ \%\ of\ Tot.Ann.CAT\ Costs]\times 28.25\%\ [\%\ of\ Tier\ 1\ Options\ EV\ Recovery]}{11\ [Estimated\ Tier\ 1\ Options\ EVs]}\right) \div 12\ [\text{Months per year}] = \mathbf{\$27{,}127}$$

Calculation 3.2 (Calculation of a Tier 2 Options Execution Venue Annual Fee)

$$15\ [Estimated\ Tot.Options\ EVs]\ \times 25\%\ [\%\ of\ Tier\ 2\ Options\ EVs] = 4\ [Estimated\ Tier\ 2\ Options\ EVs]$$

$$\left(\frac{\$50{,}700{,}000\ [Tot.Ann.CAT\ Costs]\times 25\%\ [EV\ \%\ of\ Tot.Ann.CAT\ Costs]\times 4.75\%\ [\%\ of\ Tier\ 2\ Options\ EV\ Recovery]}{4\ [Estimated\ Tier\ 2\ Options\ EVs]}\right) \div 12\ [\text{Months per year}] = \mathbf{\$12{,}543}$$

TRACEABILITY OF TOTAL CAT FEES

Type	Industry Member tier	Estimated number of members	CAT fees paid annually	Total recovery
Industry Members	Tier 1	14	$325,932	$4,563,048
	Tier 2	33	236,220	7,795,260
	Tier 3	43	163,596	7,034,628
	Tier 4	119	102,264	12,169,416
	Tier 5	128	29,712	3,803,136
	Tier 6	290	7,872	2,282,880
	Tier 7	914	420	383,880
Total		1,541		38,032,248
Equity Execution Venues	Tier 1	13	324,192	4,214,496
	Tier 2	22	148,248	3,261,456
	Tier 3	12	84,504	1,014,048
	Tier 4	5	516	2,580
Total		52		8,492,580
Options Execution Venues	Tier 1	11	325,524	3,580,764
	Tier 2	4	150,516	602,064
Total		15		4,182,828
Total				50,700,000
Excess [36]				7,656

(F) Comparability of Fees

The funding principles require a funding model in which the fees charged to the CAT Reporters with the most CAT-related activity (measured by market share and/or message traffic, as applicable) are generally comparable (where, for these comparability purposes, the tiered fee structure takes into consideration affiliations between or among CAT Reporters, whether Execution Venue and/or Industry Members). Accordingly, in creating the model, the Operating Committee sought to establish comparable fees for the top tier of Industry Members (other than Execution Venue ATSs), Equity Execution Venues and Options Execution Venues. Specifically, each Tier 1 CAT Reporter would be required to pay a quarterly fee of approximately $81,000.

(G) Billing Onset

Under Section 11.1(c) of the CAT NMS Plan, to fund the development and implementation of the CAT, the Company shall time the imposition and collection of all fees on Participants and Industry Members in a manner reasonably related to the timing when the Company expects to incur such development and implementation costs. The Company is currently incurring such development and implementation costs and will continue to do so prior to the commencement of CAT reporting and thereafter. In accordance with the CAT NMS Plan, all CAT Reporters, including both Industry Members and Execution Venues (including Participants), will be invoiced as promptly as possible following the latest

[36] The amount in excess of the total CAT costs will contribute to the gradual accumulation of the target operating reserve of $11.425 million.

of the operative date of this Plan amendment, and the related fee filings for the Industry Member CAT Fees.

(H) Changes to Fee Levels and Tiers

Section 11.3(d) of the CAT NMS Plan states that ''[t]he Operating Committee shall review such fee schedule on at least an annual basis and shall make any changes to such fee schedule that it deems appropriate. The Operating Committee is authorized to review such fee schedule on a more regular basis, but shall not make any changes on more than a semi-annual basis unless, pursuant to a Supermajority Vote, the Operating Committee concludes that such change is necessary for the adequate funding of the Company.'' With such reviews, the Operating Committee will review the distribution of Industry Members and Execution Venues across tiers, and make any updates to the percentage of CAT Reporters allocated to each tier as may be necessary. In addition, the reviews will evaluate the estimated ongoing CAT costs and the level of the operating reserve. To the extent that the total CAT costs decrease, the fees would be adjusted downward, and to the extent that the total CAT costs increase, the fees would be adjusted upward.[37] Furthermore, any surplus of the Company's revenues over its expenses is to be included within the operational reserve to offset future fees. The limitations on more frequent changes to the fee, however, are intended to provide budgeting certainty for the CAT Reporters and the Company.[38] To the extent that the Operating Committee approves changes to the number of tiers in the funding model or the fees assigned to each tier, then the Operating Committee will file such changes with the SEC pursuant to Rule 608 of the Exchange Act, and the Participants will file such changes with the SEC pursuant to Section 19(b) of the Exchange Act and Rule 19b-4 thereunder, and any such changes will become effective in accordance with the requirements of those provisions.

(I) Initial and Periodic Tier Reassignments

The Operating Committee has determined to calculate fee tiers every three months based on market share or message traffic, as applicable, from the prior three months. For the initial tier assignments, the Company will calculate the relevant tier for each CAT Reporter using the three months of data prior to the commencement date. As with the initial tier assignment, for the tri-monthly reassignments, the Company will calculate the relevant tier using the three months of data prior to the relevant tri-monthly date. Any movement of CAT Reporters between tiers will not change the criteria for each tier or the fee amount corresponding to each tier.

In performing the tri-monthly reassignments, the assignment of CAT Reporters in each assigned tier is relative. Therefore, a CAT Reporter's assigned tier will depend, not only on its own message traffic or market share, but also on the message traffic/market share across all CAT Reporters. For example, the percentage of Industry Members (other than Execution Venue ATSs) in each tier is relative such that such Industry Member's assigned tier will depend on message traffic generated across all CAT Reporters as well as the total number of CAT Reporters. The Operating Committee will inform CAT Reporters of their assigned tier every three months following the periodic tiering process, as the funding model will compare an individual CAT Reporter's activity to that of other CAT Reporters in the marketplace.

The following demonstrates a tier reassignment. In accordance with the funding model, the top 75% of Options Execution Venues in market share are categorized as Tier 1 while the bottom 25% of Options Execution Venues in market share are categorized as Tier 2. In the sample scenario below, Options Execution Venue L is initially categorized as a Tier 2 Options Execution Venue in Period A due to its market share. When market share is recalculated for Period B, the market share of Execution Venue L increases, and it is therefore subsequently reranked and reassigned to Tier 1 in Period B. Correspondingly, Options Execution Venue K, initially a Tier 1 Options Execution Venue in Period A, is reassigned to Tier 2 in Period B due to decreases in its market share.

Period A			Period B		
Options Execution Venue	Market share rank	Tier	Options Execution Venue	Market share rank	Tier
Options Execution Venue A	1	1	Options Execution Venue A	1	1
Options Execution Venue B	2	1	Options Execution Venue B	2	1
Options Execution Venue C	3	1	Options Execution Venue C	3	1
Options Execution Venue D	4	1	Options Execution Venue D	4	1
Options Execution Venue E	5	1	Options Execution Venue E	5	1
Options Execution Venue F	6	1	Options Execution Venue F	6	1
Options Execution Venue G	7	1	Options Execution Venue I	7	1
Options Execution Venue H	8	1	Options Execution Venue H	8	1
Options Execution Venue I	9	1	Options Execution Venue G	9	1
Options Execution Venue J	10	1	Options Execution Venue J	10	1
Options Execution Venue K	11	1	Options Execution Venue L	11	1
Options Execution Venue L	12	2	Options Execution Venue K	12	2
Options Execution Venue M	13	2	Options Execution Venue N	13	2
Options Execution Venue N	14	2	Options Execution Venue M	14	2
Options Execution Venue O	15	2	Options Execution Venue O	15	2

For each periodic tier reassignment, the Operating Committee will review the new tier assignments, particularly those assignments for CAT Reporters that shift from the lowest tier to a higher tier. This review is intended to evaluate whether potential changes to the market or CAT Reporters (*e.g.,* dissolution of a

[37] The CAT Fees are designed to recover the costs associated with the CAT. Accordingly, CAT Fees would not be affected by increases or decreases in other non-CAT expenses incurred by the Participants, such as any changes in costs related to the retirement of existing regulatory systems, such as OATS.

[38] Section B.7, Appendix C of the CAT NMS Plan, Approval Order at 85006.

large CAT Reporter) adversely affect the tier reassignments.

(J) Sunset Provision

The Operating Committee developed the proposed funding model by analyzing currently available historical data. Such historical data, however, is not as comprehensive as data that will be submitted to the CAT. Accordingly, the Operating Committee believes that it will be appropriate to revisit the funding model once CAT Reporters have actual experience with the funding model. Accordingly, the Operating Committee determined to include an automatic sunsetting provision for the proposed fees. Specifically, the Operating Committee determined to include a provision in the proposed fee schedule which states that ''[t]hese Participant CAT Fees will automatically expire two years after their operative date.'' The Operating Committee intends to monitor the operation of the funding model during this two year period and to evaluate its effectiveness during that period. Such a process will inform the Operating Committee's approach to funding the CAT after the two year period.

(3) Proposed CAT Fee Schedule

The Operating Committee proposes to add Exhibit B to the CAT NMS Plan to add a fee schedule setting forth the CAT Fees applicable to Participants. Proposed Exhibit B is set forth in Appendix A to this letter. Paragraph (a)(1) of proposed Exhibit B sets forth the CAT Fees applicable to Execution Venues for NMS Stocks and OTC Equity Securities. Specifically, paragraph (a)(1) states that the Company will assign each Execution Venue for NMS Stocks and/or OTC Equity Securities to a fee tier once every quarter, where such tier assignment is calculated by ranking each such Execution Venue based on its total market share (with a discount for the OTC Equity Securities market share of Execution Venue ATSs trading OTC Equity Securities as well as the market share of the FINRA OTC reporting facility based on the average shares per trade ratio between NMS Stocks and OTC Equity Securities) for the three months prior to the quarterly tier calculation day and assigning each such Execution Venue to a tier based on that ranking and predefined percentages for such Execution Venues. The Execution Venues for NMS Stocks and/or OTC Equity Securities with the higher total quarterly market share will be ranked in Tier 1, and such Execution Venues with the lowest quarterly market share will be ranked in Tier 4. Specifically, paragraph (a)(1) states that, each quarter, each Execution Venue for NMS Stocks and/or OTC Equity Securities shall pay in the manner prescribed by the Company the following CAT Fee corresponding to the tier assigned by the CAT NMS, LLC for such Execution Venue for that quarter:

Tier	Percentage of Execution Venues for NMS Stocks and/or OTC Equity Securities	Quarterly CAT fee
1	25.00	$81,048
2	42.00	37,062
3	23.00	21,126
4	10.00	129

In addition, paragraph (a)(2) of the proposed Exhibit B states that the Company will assign each Execution Venue for Listed Options to a fee tier once every quarter, where such tier assignment is calculated by ranking each such Execution Venue based on its total market share for the three months prior to the quarterly tier calculation day and assigning each such Execution Venue to a tier based on that ranking and predefined percentages for such Execution Venues. The Execution Venues for Listed Options with the higher total quarterly market share will be ranked in Tier 1, and such Execution Venues with the lower quarterly market share will be ranked in Tier 2. Specifically, paragraph (b)(1) states that, each quarter, each Execution Venue for Listed Options shall pay in the manner prescribed by the Company the following CAT Fee corresponding to the tier assigned by the CAT NMS, LLC for such Execution Venue for that quarter:

Tier	Percentage of Execution Venues for Listed Options	Quarterly CAT fee
1	75.00	$81,381
2	25.00	37,629

(4) Changes to Prior CAT Fee Plan Amendment

The proposed funding model set forth in this amendment is a revised version of the Plan amendment filed with the Commission on May 9, 2017 (''Original Proposal'').[39] The Commission abrogated the Original Proposal on July 21, 2017.[40] Although the Original Proposal did not receive any comments, the Commission received a number of comment letters in response to the Participants' proposed rule changes to adopt CAT Fees to be charged to Industry Members, including Industry Members that are Execution Venue ATSs (''Industry Member Fee Filings'').[41] Because the text of the Industry Member Fee Filings is substantially similar to the Original Proposal, the SEC believed that the comments were relevant to the Original Proposal and summarized them in the Abrogation Order. In addition, the SEC suspended the Industry Member Fee Filings and instituted proceedings to determine whether to approve or disapprove the Industry Member Fee Filings.[42] Pursuant to those proceedings, additional comment letters were submitted regarding the proposed funding model.[43] In developing this Amendment No. 4, the Operating Committee carefully considered these comments and made a number of changes to the Original Proposal to address these comments where appropriate.

This Amendment No. 4 makes the following changes to the Original Proposal: (1) Adds two additional CAT Fee tiers for Equity Execution Venues; (2) discounts the OTC Equity Securities market share of Execution Venue ATSs trading OTC Equity Securities as well as the market share of the FINRA ORF by the average shares per trade ratio between NMS Stocks and OTC Equity Securities (calculated as 0.17% based on available data from the second quarter of 2017) when calculating the market share of Execution Venue ATSs trading OTC Equity Securities and FINRA; (3) discounts the Options Market Maker

[39] Securities Exchange Act Rel. No. 80930 (June 14, 2017), 82 FR 28180 (June 20, 2017).

[40] Securities Exchange Act Rel. No. 81189 (July 21, 2017), 82 FR 35005 (July 27, 2017) (''Abrogation Order'').

[41] For a description of the Industry Member Fee Filings and the comments submitted in response to those Filings, *see* Securities Exchange Act Rel. No. 81067 (June 30, 2017), 82 FR 31656 (July 7, 2017) (''Suspension Order'').

[42] Suspension Order.

[43] *See* Letter from Stuart J. Kaswell, Executive Vice President, Managing Director and General Counsel, Managed Funds Association, to Brent J. Fields, Secretary, SEC (July 28, 2017) (''MFA Letter''); Letter from Theodore R. Lazo, Managing Director and Associate General Counsel, SIFMA, to Brent J. Fields, Secretary, SEC (July 28, 2017) (''SIFMA Letter''); Joanna Mallers, Secretary, FIA Principal Traders Group, to Brent J. Fields, Secretary, SEC (July 28, 2017) (''FIA Principal Traders Group Letter''); Letter from Kevin Coleman, General Counsel & Chief Compliance Officer, Belvedere Trading LLC, to Brent J. Fields, Secretary, SEC (July 28, 2017) (''Belvedere Letter''); Letter from W. Hardy Callcott, Sidley Austin LLP, to Brent J. Fields, Secretary, SEC (July 27, 2017) (''Sidley Letter''); Letter from John Kinahan, Chief Executive Officer, Group One Trading, L.P., to Brent J. Fields, Secretary, SEC (Aug. 10, 2017) (''Group One Letter''); and Letter from Joseph Molluso, Executive Vice President, Virtu Financial, to Brent J. Fields, Secretary, SEC (Aug. 18, 2017) (''Virtu Financial Letter'').

quotes by the trade to quote ratio for options (calculated as 0.01% based on available data for June 2016 through June 2017) when calculating message traffic for Options Market Makers; (4) discounts equity market maker quotes by the trade to quote ratio for equities (calculated as 5.43% based on available data for June 2016 through June 2017) when calculating message traffic for equity market makers; (5) decreases the number of tiers for Industry Members (other than the Equity ATSs) from nine to seven; (6) changes the allocation of CAT costs between Equity Execution Venues and Options Execution Venues from 75%/25% to 67%/33%; (7) adjusts tier percentages and recovery allocations for Equity Execution Venues, Options Execution Venues and Industry Members (other than Execution Venue ATSs); (8) focuses the comparability of CAT Fees on the individual entity level, rather than primarily on the comparability of affiliated entities; (9) commences invoicing of CAT Reporters as promptly as possible following the latest of the operative date of the Consolidated Audit Trail Funding Fees for each of the Participants as set forth in the Industry Member Fee Filings and the operative date of the CAT NMS Plan amendment adopting CAT Fees for Participants; and (10) requires the proposed fees to automatically expire two years from their operative date.

(A) Equity Execution Venues

(i) Small Equity Execution Venues

In the Original Proposal, the Operating Committee proposed to establish two fee tiers for Equity Execution Venues. The Commission and commenters raised the concern that, by establishing only two tiers, smaller Equity Execution Venues (*e.g.,* those Equity ATSs representing less than 1% of NMS market share) would be placed in the same fee tier as larger Equity Execution Venues, thereby imposing an undue or inappropriate burden on competition.[44] To address this concern, the Operating Committee proposes to add two additional tiers for Equity Execution Venues, a third tier for smaller Equity Execution Venues and a fourth tier for the smallest Equity Execution Venues.

Specifically, the Original Proposal had two tiers of Equity Execution Venues. Tier 1 required the largest Equity Execution Venues to pay a quarterly fee of $63,375. Based on available data, these largest Equity Execution Venues were those that had equity market share of share volume greater than or equal to 1%.[45] Tier 2 required the remaining smaller Equity Execution Venues to pay a quarterly fee of $38,820.

To address concerns about the potential for the $38,820 quarterly fee to impose an undue burden on smaller Equity Execution Venues, the Operating Committee determined to move to a four tier structure for Equity Execution Venues. Tier 1 would continue to include the largest Equity Execution Venues by share volume (that is, based on currently available data, those with market share of equity share volume greater than or equal to one percent), and these Equity Execution Venues would be required to pay a quarterly fee of $81,048. The Operating Committee determined to divide the original Tier 2 into three tiers. The new Tier 2 Equity Execution Venues, which would include the next largest Equity Execution Venues by equity share volume, would be required to pay a quarterly fee of $37,062. The new Tier 3 Equity Execution Venues would be required to pay a quarterly fee of $21,126. The new Tier 4 Equity Execution Venues, which would include the smallest Equity Execution Venues by share volume, would be required to pay a quarterly fee of $129.

In developing the proposed four tier structure, the Operating Committee considered keeping the existing two tiers, as well as shifting to three, four or five Equity Execution Venue tiers (the maximum number of tiers permitted under the Plan), to address the concerns regarding small Equity Execution Venues. For each of the two, three, four and five tier alternatives, the Operating Committee considered the assignment of various percentages of Equity Execution Venues to each tier as well as various percentage of Equity Execution Venue recovery allocations for each alternative. As discussed below in more detail, each of these options was considered in the context of the full model, as changes in each variable in the model affect other variables in the model when allocating the total CAT costs among CAT Reporters. The Operating Committee determined that the four tier alternative addressed the spectrum of different Equity Execution Venues. The Operating Committee determined that neither a two tier structure nor a three tier structure sufficiently accounted for the range of market shares of smaller Equity Execution Venues. The Operating Committee also determined that, given the limited number of Equity Execution Venues, that a fifth tier was unnecessary to address the range of market shares of the Equity Execution Venues.

By increasing the number of tiers for Equity Execution Venues and reducing the proposed CAT Fees for the smaller Equity Execution Venues, the Operating Committee believes that the proposed fees for Equity Execution Venues would not impose an undue or inappropriate burden on competition under Section 6 or Section 15A of the Exchange Act. Moreover, the Operating Committee believes that the proposed fees appropriately take into account the distinctions in the securities trading operations of different Equity Execution Venues, as required under the funding principles of the CAT NMS Plan.[46] The larger number of tiers more closely tracks the variety of sizes of equity share volume of Equity Execution Venues. In addition, the reduction in the fees for the smaller Equity Execution Venues recognizes the potential burden of larger fees on smaller entities. In particular, the very small quarterly fee of $129 for Tier 4 Equity Execution Venues reflects the fact that certain Equity Execution Venues have a very small share volume due to their typically more focused business models.

Accordingly, Amendment No. 4 proposes to amend paragraph (a)(1) of the proposed fee schedule as set forth in the Original Proposal to add the two additional tiers for Equity Execution Venues, to establish the percentages and fees for Tiers 3 and 4 as described, and to revise the percentages and fees for Tiers 1 and 2 as described.

(ii) Execution Venues for OTC Equity Securities

In the Original Proposal, the Operating Committee proposed to group Execution Venues for OTC Equity Securities and Execution Venues for NMS Stocks in the same tier structure. The Commission and commenters raised concerns as to whether this determination to place Execution Venues for OTC Equity Securities in the same tier structure as Execution Venues for NMS Stocks would result in an undue or inappropriate burden on competition, recognizing that the application of share volume may lead to different outcomes as applied to OTC

[44] *See* Abrogation Order at 35012; SIFMA Letter at 3.

[45] Note that while these equity market share thresholds were referenced as data points to help differentiate between Equity Execution Venue tiers, the proposed funding model is directly driven not by market share thresholds, but rather by fixed percentages of Equity Execution Venues across tiers to account for fluctuating levels of market share across time. Actual market share in any tier will vary based on the actual market activity in a given measurement period, as well as the number of Equity Execution Venues included in the measurement period.

[46] Section 11.2(b) of the CAT NMS Plan.

Equity Securities and NMS Stocks.[47] To address this concern, the Operating Committee proposes to discount the OTC Equity Securities market share of Execution Venue ATSs trading OTC Equity Securities as well as the market share of the FINRA ORF by the average shares per trade ratio between NMS Stocks and OTC Equity Securities (0.17% for the second quarter of 2017) in order to adjust for the greater number of shares being traded in the OTC Equity Securities market, which is generally a function of a lower per share price for OTC Equity Securities when compared to NMS Stocks.

As commenters noted, many OTC Equity Securities are priced at less than one dollar—and a significant number at less than one penny—and low-priced shares tend to trade in larger quantities. Accordingly, a disproportionately large number of shares are involved in transactions involving OTC Equity Securities versus NMS Stocks, which has the effect of overstating an Execution Venue's true market share when the Execution Venue is involved in the trading of OTC Equity Securities. Because the proposed fee tiers are based on market share calculated by share volume, Execution Venue ATSs trading OTC Equity Securities and FINRA may be subject to higher tiers than their operations may warrant.[48] The Operating Committee proposes to address this concern in two ways. First, the Operating Committee proposes to increase the number of Equity Execution Venue tiers, as discussed above. Second, the Operating Committee determined to discount the OTC Equity Securities market share of Execution Venue ATSs trading OTC Equity Securities as well as the market share of the FINRA ORF when calculating their tier placement. Because the disparity in share volume between Execution Venues trading in OTC Equity Securities and NMS Stocks is based on the different number of shares per trade for OTC Equity Securities and NMS Stocks, the Operating Committee believes that discounting the OTC Equity Securities share volume of such Execution Venue ATSs as well as the market share of the FINRA ORF would address the difference in shares per trade for OTC Equity Securities and NMS Stocks. Specifically, the Operating Committee proposes to impose a discount based on the objective measure of the average shares per trade ratio between NMS Stocks and OTC Equity Securities. Based on available data from the second quarter of 2017, the average shares per trade ratio between NMS Stocks and OTC Equity Securities is 0.17%.

The practical effect of applying such a discount for trading in OTC Equity Securities is to shift Execution Venue ATSs trading OTC Equity Securities to tiers for smaller Execution Venues and with lower fees. For example, under the Original Proposal, one Execution Venue ATS trading OTC Equity Securities was placed in the first CAT Fee tier, which had a quarterly fee of $63,375. With the imposition of the proposed tier changes and the discount, this ATS would be ranked in Tier 3 and would owe a quarterly fee of $21,126.

In developing the proposed discount for Equity Execution Venue ATSs trading OTC Equity Securities and FINRA, the Operating Committee evaluated different alternatives to address the concerns related to OTC Equity Securities, including creating a separate tier structure for Execution Venues trading OTC Equity Securities (like the separate tier for Options Execution Venues) as well as the proposed discounting method for Execution Venue ATSs trading OTC Equity Securities and FINRA. For these alternatives, the Operating Committee considered how each alternative would affect the recovery allocations. In addition, each of these options was considered in the context of the full model, as changes in each variable in the model affect other variables in the model when allocating the total CAT costs among CAT Reporters. The Operating Committee did not adopt a separate tier structure for Equity Execution Venues trading OTC Equity Securities as they determined that the proposed discount approach appropriately addresses the concern. The Operating Committee determined to adopt the proposed discount because it directly relates to the concern regarding the trading patterns and operations in the OTC Equity Securities markets, and is an objective discounting method.

By increasing the number of tiers for Equity Execution Venues and imposing a discount on the market share of share volume calculation for trading in OTC Equity Securities, the Operating Committee believes that the proposed fees for Equity Execution Venues would not impose an undue or inappropriate burden on competition under Section 6 or Section 15A of the Exchange Act. Moreover, the Operating Committee believes that the proposed fees appropriately take into account the distinctions in the securities trading operations of different Equity Execution Venues, as required under the funding principles of the CAT NMS Plan.[49] As discussed above, the larger number of tiers more closely tracks the variety of sizes of equity share volume of Equity Execution Venues. In addition, the proposed discount recognizes the different types of trading operations at Equity Execution Venues trading OTC Equity Securities versus those trading NMS Stocks, thereby more closing matching the relative revenue generation by Equity Execution Venues trading OTC Equity Securities to their CAT Fees.

Accordingly, Amendment No. 4 proposes to amend paragraph (a)(1) of the proposed fee schedule as set forth in the Original Proposal to indicate that the OTC Equity Securities market share for Execution Venue ATSs trading OTC Equity Securities as well as the market share of the FINRA ORF would be discounted. In addition, as discussed above, to address concerns related to smaller ATSs, including those that trade OTC Equity Securities, the Operating Committee proposes to amend paragraph (a)(1) of the proposed fee schedule to add two additional tiers for Equity Execution Venues, to establish the percentages and fees for Tiers 3 and 4 as described, and to revise the percentages and fees for Tiers 1 and 2 as described.

(B) Market Makers

In the Original Proposal, the Operating Committee proposed to include both Options Market Maker quotes and equities market maker quotes in the calculation of total message traffic for such market makers for purposes of tiering for Industry Members (other than Execution Venue ATSs). The Commission and commenters raised questions as to whether the proposed treatment of Options Market Maker quotes may result in an undue or inappropriate burden on competition or may lead to a reduction in market quality.[50] To address this concern, the Operating Committee determined to discount the Options Market Maker quotes by the trade to quote ratio for options when calculating message traffic for Options Market Makers. Similarly, to avoid disincentives to quoting behavior on the equities side as well, the Operating Committee determined to discount equity market maker quotes by the trade to quote ratio for equities when

[47] *See* Abrogation Order at 35012–3.

[48] Abrogation Order at 35012.

[49] Section 11.2(b) of the CAT NMS Plan.

[50] *See* Abrogation Order at 35011; SIFMA Letter at 4–6; FIA Principal Traders Group Letter at 3; Sidley Letter at 2–6; Group One Letter at 2–6; and Belvedere Letter at 2.

calculating message traffic for equities market makers.

In the Original Proposal, market maker quotes were treated the same as other message traffic for purposes of tiering for Industry Members (other than Execution Venue ATSs). Commenters noted, however, that charging Industry Members on the basis of message traffic will impact market makers disproportionately because of their continuous quoting obligations. Moreover, in the context of options market makers, message traffic would include bids and offers for every listed options strikes and series, which are not an issue for equities.[51] The Operating Committee proposes to address this concern in two ways. First, the Operating Committee proposes to discount Options Market Maker quotes when calculating the Options Market Makers' tier placement. Specifically, the Operating Committee proposes to impose a discount based on the objective measure of the trade to quote ratio for options. Based on available data from June 2016 through June 2017, the trade to quote ratio for options is 0.01%. Second, the Operating Committee proposes to discount equities market maker quotes when calculating the equities market makers' tier placement. Specifically, the Operating Committee proposes to impose a discount based on the objective measure of the trade to quote ratio for equities. Based on available data for June 2016 through June 2017, this trade to quote ratio for equities is 5.43%.

The practical effect of applying such discounts for quoting activity is to shift market makers' calculated message traffic lower, leading to the potential shift to tiers for lower message traffic and reduced fees. Such an approach would move sixteen Industry Member CAT Reporters that are market makers to a lower tier than in the Original Proposal. For example, under the Original Proposal, Broker-Dealer Firm ABC was placed in the first CAT Fee tier, which had a quarterly fee of $101,004. With the imposition of the proposed tier changes and the discount, Broker-Dealer Firm ABC, an options market maker, would be ranked in Tier 3 and would owe a quarterly fee of $40,899.

In developing the proposed market maker discounts, the Operating Committee considered various discounts for Options Market Makers and equity market makers, including discounts of 50%, 25%, 0.00002%, as well as the 5.43% for option market makers and 0.01% for equity market makers. Each of these options were considered in the context of the full model, as changes in each variable in the model affect other variables in the model when allocating the total CAT costs among CAT Reporters. The Operating Committee determined to adopt the proposed discount because it directly relates to the concern regarding the quoting requirement, is an objective discounting method, and has the desired potential to shift market makers to lower fee tiers.

By imposing a discount on Options Market Makers and equities market makers' quoting traffic for the calculation of message traffic, the Operating Committee believes that the proposed fees for market makers would not impose an undue or inappropriate burden on competition under Section 6 or Section 15A of the Exchange Act. Moreover, the Operating Committee believes that the proposed fees appropriately take into account the distinctions in the securities trading operations of different Industry Members, and avoid disincentives, such as a reduction in market quality, as required under the funding principles of the CAT NMS Plan.[52] The proposed discounts recognize the different types of trading operations presented by Options Market Makers and equities market makers, as well as the value of the market makers' quoting activity to the market as a whole. Accordingly, the Operating Committee believes that the proposed discounts will not impact the ability of small Options Market Makers or equities market makers to provide liquidity.

(C) Comparability/Allocation of Costs

Under the Original Proposal, 75% of CAT costs were allocated to Industry Members (other than Execution Venue ATSs) and 25% of CAT costs were allocated to Execution Venues. This cost allocation sought to maintain the greatest level of comparability across the funding model, where comparability considered affiliations among or between CAT Reporters. The Commission and commenters expressed concerns regarding whether the proposed 75%/25% allocation of CAT costs is consistent with the Plan's funding principles and the Exchange Act, including whether the allocation places a burden on competition or reduces market quality. The Commission and commenters also questioned whether the approach of accounting for affiliations among CAT Reporters in setting CAT Fees disadvantages non-affiliated CAT Reporters or otherwise burdens competition in the market for trading services.[53]

In response to these concerns, the Operating Committee determined to revise the proposed funding model to focus the comparability of CAT Fees on the individual entity level, rather than primarily on the comparability of affiliated entities. In light of the interconnected nature of the various aspects of the funding model, the Operating Committee determined to revise various aspects of the model to enhance comparability at the individual entity level. Specifically, to achieve such comparability, the Operating Committee determined to (1) decrease the number of tiers for Industry Members (other than Execution Venue ATSs) from nine to seven; (2) change the allocation of CAT costs between Equity Execution Venues and Options Execution Venues from 75%/25% to 67%/33%; and (3) adjust tier percentages and recovery allocations for Equity Execution Venues, Options Execution Venues and Industry Members (other than Execution Venue ATSs). With these changes, the proposed funding model provides fee comparability for the largest individual entities, with the largest Industry Members (other than Execution Venue ATSs), Equity Execution Venues and Options Execution Venues each paying a CAT Fee of approximately $81,000 each quarter.

(i) Number of Industry Member Tiers

In the Original Proposal, the proposed funding model had nine tiers for Industry Members (other than Execution Venue ATSs). The Operating Committee determined that reducing the number of tiers from nine tiers to seven tiers (and adjusting the predefined Industry Member Percentages as well) continues to provide a fair allocation of fees among Industry Members and appropriately distinguishes between Industry Members with differing levels of message traffic. In reaching this conclusion, the Operating Committee considered historical message traffic generated by Industry Members across all exchanges and as submitted to FINRA's OATS, and considered the distribution of firms with similar levels of message traffic, grouping together firms with similar levels of message traffic. Based on this, the Operating Committee determined that seven tiers would group firms with similar levels of

[51] Abrogation Order at 35012.

[52] Section 11.2(b) of the CAT NMS Plan.

[53] *See* Abrogation Order at 35010–13; SIFMA Letter at 3; Sidley Letter at 6–7; Group One Letter at 2; and Belvedere Letter at 2.

message traffic, while also achieving greater comparability in the model for the individual CAT Reporters with the greatest market share or message traffic.

In developing the proposed seven tier structure, the Operating Committee considered remaining at nine tiers, as well as reducing the number of tiers down to seven when considering how to address the concerns raised regarding comparability. For each of the alternatives, the Operating Committee considered the assignment of various percentages of Industry Members to each tier as well as various percentages of Industry Member recovery allocations for each alternative. Each of these options was considered in the context of its effects on the full funding model, as changes in each variable in the model affect other variables in the model when allocating the total CAT costs among CAT Reporters. The Operating Committee determined that the seven tier alternative provided the most fee comparability at the individual entity level for the largest CAT Reporters, while both providing logical breaks in tiering for Industry Members with different levels of message traffic and a sufficient number of tiers to provide for the full spectrum of different levels of message traffic for all Industry Members.

(ii) Allocation of CAT Costs Between Equity and Options Execution Venues

The Operating Committee also determined to adjust the allocation of CAT costs between Equity Execution Venues and Options Execution Venues to enhance comparability at the individual entity level. In the Original Proposal, 75% of Execution Venue CAT costs were allocated to Equity Execution Venues, and 25% of Execution Venue CAT costs were allocated to Options Execution Venues. To achieve the goal of increased comparability at the individual entity level, the Operating Committee analyzed a range of alternative splits for revenue recovery between Equity and Options Execution Venues, along with other changes in the proposed funding model. Based on this analysis, the Operating Committee determined to allocate 67 percent of Execution Venue costs recovered to Equity Execution Venues and 33 percent to Options Execution Venues. The Operating Committee determined that a 67/33 allocation between Equity and Options Execution Venues enhances the level of fee comparability for the largest CAT Reporters. Specifically, the largest Equity and Options Execution Venues would pay a quarterly CAT Fee of approximately $81,000.

In developing the proposed allocation of CAT costs between Equity and Options Execution Venues, the Operating Committee considered various different options for such allocation, including keeping the original 75%/25% allocation, as well as shifting to a 70%/30%, 67%/33%, or 57.75%/42.25% allocation. For each of the alternatives, the Operating Committee considered the effect each allocation would have on the assignment of various percentages of Equity Execution Venues to each tier as well as various percentages of Equity Execution Venue recovery allocations for each alternative. Moreover, each of these options was considered in the context of the full model, as changes in each variable in the model affect other variables in the model when allocating the total CAT costs among CAT Reporters. The Operating Committee determined that the 67%/33% allocation between Equity and Options Execution Venues provided the greatest level of fee comparability at the individual entity level for the largest CAT Reporters, while still providing for appropriate fee levels across all tiers for all CAT Reporters.

(iii) Allocation of Costs Between Execution Venues and Industry Members

The Operating Committee determined to allocate 25% of CAT costs to Execution Venues and 75% to Industry Members (other than Execution Venue ATSs), as it had in the Original Proposal. The Operating Committee determined that this 75%/25% allocation, along with the other changes proposed above, led to the most comparable fees for the largest Equity Execution Venues, Options Execution Venues and Industry Members (other than Execution Venue ATSs). The largest Equity Execution Venues, Options Execution Venues and Industry Members (other than Execution Venue ATSs) would each pay a quarterly CAT Fee of approximately $81,000.

As a preliminary matter, the Operating Committee determined that it is appropriate to allocate most of the costs to create, implement and maintain the CAT to Industry Members for several reasons. First, there are many more broker-dealers expected to report to the CAT than Participants (*i.e.,* 1,541 broker-dealer CAT Reporters versus 22 Participants). Second, since most of the costs to process CAT reportable data is generated by Industry Members, Industry Members could be expected to contribute toward such costs. Finally, as noted by the SEC, the CAT ''substantially enhance[s] the ability of the SROs and the Commission to oversee today's securities markets,'' [54] thereby benefitting all market participants. After making this determination, the Operating Committee analyzed several different cost allocations, as discussed further below, and determined that an allocation where 75% of the CAT costs should be borne by the Industry Members (other than Execution Venue ATSs) and 25% should be paid by Execution Venues was most appropriate and led to the greatest comparability of CAT Fees for the largest CAT Reporters.

In developing the proposed allocation of CAT costs between Execution Venues and Industry Members (other than Execution Venue ATSs), the Operating Committee considered various different options for such allocation, including keeping the original 75%/25% allocation, as well as shifting to an 80%/20%, 70%/30%, or 65%/35% allocation. Each of these options was considered in the context of the full model, including the effect on each of the changes discussed above, as changes in each variable in the model affect other variables in the model when allocating the total CAT costs among CAT Reporters. In particular, for each of the alternatives, the Operating Committee considered the effect each allocation had on the assignment of various percentages of Equity Execution Venues, Options Execution Venues and Industry Members (other than Execution Venue ATSs) to each relevant tier as well as various percentages of recovery allocations for each tier. The Operating Committee determined that the 75%/25% allocation between Execution Venues and Industry Members (other than Execution Venue ATSs) provided the greatest level of fee comparability at the individual entity level for the largest CAT Reporters, while still providing for appropriate fee levels across all tiers for all CAT Reporters.

(iv) Affiliations

The funding principles set forth in Section 11.2 of the Plan require that the fees charged to CAT Reporters with the most CAT-related activity (measured by market share and/or message traffic, as applicable) are generally comparable (where, for these comparability purposes, the tiered fee structure takes into consideration affiliations between or among CAT Reporters, whether Execution Venue and/or Industry Members). The proposed funding model satisfies this requirement. As discussed

[54] Securities Exchange Act Rel. No. 67457 (Jul 18, 2012), 77 FR 45722, 45726 (Aug. 1, 2012) (''Rule 613 Adopting Release'').

above, under the proposed funding model, the largest Equity Execution Venues, Options Execution Venues, and Industry Members (other than Execution Venue ATSs) pay approximately the same fee. Moreover, the Operating Committee believes that the proposed funding model takes into consideration affiliations between or among CAT Reporters as complexes with multiple CAT Reporters will pay the appropriate fee based on the proposed fee schedule for each of the CAT Reporters in the complex. For example, a complex with a Tier 1 Equity Execution Venue and Tier 2 Industry Member will a pay the same as another complex with a Tier 1 Equity Execution Venue and Tier 2 Industry Member.

(v) Fee Schedule Changes

Accordingly, Amendment No. 4 amends paragraphs (a)(1) and (2) of the proposed fee schedule as set forth in the Original Proposal to reflect the changes discussed in this section. Specifically, the Operating Committee proposes to amend paragraph (a)(1) and (2) of the proposed fee schedule to update the number of tiers, and the fees and percentages assigned to each tier to reflect the described changes.

(D) Market Share/Message Traffic

In the Original Proposal, the Operating Committee proposed to charge Execution Venues based on market share and Industry Members (other than Execution Venue ATSs) based on message traffic. Commenters questioned the use of the two different metrics for calculating CAT Fees.[55] The Operating Committee continues to believe that the proposed use of market share and message traffic satisfies the requirements of the Exchange Act and the funding principles set forth in the CAT NMS Plan. Accordingly, the proposed funding model continues to charge Execution Venues based on market share and Industry Members (other than Execution Venue ATSs) based on message traffic.

In drafting the Plan and the Original Proposal, the Operating Committee expressed the view that the correlation between message traffic and size does not apply to Execution Venues, which they described as producing similar amounts of message traffic regardless of size. The Operating Committee believed that charging Execution Venues based on message traffic would result in both large and small Execution Venues paying comparable fees, which would be inequitable, so the Operating Committee determined that it would be more appropriate to treat Execution Venues differently from Industry Members in the funding model. Upon a more detailed analysis of available data, however, the Operating Committee noted that Execution Venues have varying levels of message traffic. Nevertheless, the Operating Committee continues to believe that a bifurcated funding model—where Industry Members (other than Execution Venue ATSs) are charged fees based on message traffic and Execution Venues are charged based on market share—complies with the Plan and meets the standards of the Exchange Act for the reasons set forth below.

Charging Industry Members based on message traffic is the most equitable means for establishing fees for Industry Members (other than Execution Venue ATSs). This approach will assess fees to Industry Members that create larger volumes of message traffic that are relatively higher than those fees charged to Industry Members that create smaller volumes of message traffic. Since message traffic, along with fixed costs of the Plan Processor, is a key component of the costs of operating the CAT, message traffic is an appropriate criterion for placing Industry Members in a particular fee tier.

The Operating Committee also believes that it is appropriate to charge Execution Venues CAT Fees based on their market share. In contrast to Industry Members (other than Execution Venue ATSs), which determine the degree to which they produce the message traffic that constitutes CAT Reportable Events, the CAT Reportable Events of Execution Venues are largely derivative of quotations and orders received from Industry Members that the Execution Venues are required to display. The business model for Execution Venues, however, is focused on executions in their markets. As a result, the Operating Committee believes that it is more equitable to charge Execution Venues based on their market share rather than their message traffic.

Similarly, focusing on message traffic would make it more difficult to draw distinctions between large and small exchanges, including options exchanges in particular. For instance, the Operating Committee analyzed the message traffic of Execution Venues and Industry Members for the period of April 2017 to June 2017 and placed all CAT Reporters into a nine-tier framework (*i.e.,* a single tier may include both Execution Venues and Industry Members). The Operating Committee's analysis found that the majority of exchanges (15 total) were grouped in Tiers 1 and 2. Moreover, virtually all of the options exchanges were in Tiers 1 and 2.[56] Given the concentration of options exchanges in Tiers 1 and 2, the Operating Committee believes that using a funding model based purely on message traffic would make it more difficult to distinguish between large and small options exchanges, as compared to the proposed bifurcated fee approach.

In addition, the Operating Committee also believes that it is appropriate to treat ATSs as Execution Venues under the proposed funding model since ATSs have business models that are similar to those of exchanges, and ATSs also compete with exchanges. For these reasons, the Operating Committee believes that charging Execution Venues based on market share is more appropriate and equitable than charging Execution Venues based on message traffic.

(E) Time Limit

In the Original Proposal, the Operating Committee did not impose any time limit on the application of the proposed CAT Fees. As discussed above, the Operating Committee developed the proposed funding model by analyzing currently available historical data. Such historical data, however, is not as comprehensive as data that will be submitted to the CAT. Accordingly, the Operating Committee believes that it will be appropriate to revisit the funding model once CAT Reporters have actual experience with the funding model. Accordingly, the Operating Committee proposes to include a sunsetting provision in the proposed fee model. The proposed CAT Fees will sunset two years after the operative date for the CAT Fees. Such a provision will provide the Operating Committee and other market participants with the opportunity to reevaluate the performance of the proposed funding model.

(F) Tier Structure/Decreasing Cost per Unit

In the Original Proposal, the Operating Committee determined to use a tiered fee structure. The Commission and commenters questioned whether the decreasing cost per additional unit (of message traffic in the case of Industry Members, or of share volume in the case of Execution Venues) in the proposed fee schedules burdens competition by disadvantaging small

[55] Abrogation Order at 35011; FIA Principal Traders Group Letter at 2.

[56] The Participants note that this analysis did not place MIAX PEARL in Tier 1 or Tier 2 since the exchange commenced trading on February 6, 2017.

Industry Members and Execution Venues and/or by creating barriers to entry in the market for trading services and/or the market for broker-dealer services.[57]

The Operating Committee does not believe that decreasing cost per additional unit in the proposed fee schedules places an unfair competitive burden on Small Industry Members and Execution Venues. While the cost per unit of message traffic or share volume necessarily will decrease as volume increases in any tiered fee model using fixed fee percentages and, as a result, Small Industry Members and small Execution Venues may pay a larger fee per message or share, this comment fails to take account of the substantial differences in the absolute fees paid by Small Industry Members and small Execution Venues as opposed to large Industry Members and large Execution Venues. For example, under the fee proposals, Tier 7 Industry Members would pay a quarterly fee of $105, while Tier 1 Industry Members would pay a quarterly fee of $81,483. Similarly, a Tier 4 Equity Execution Venue would pay a quarterly fee of $129, while a Tier 1 Equity Execution Venue would pay a quarterly fee of $81,048. Thus, Small Industry Members and small Execution Venues are not disadvantaged in terms of the total fees that they actually pay. In contrast to a tiered model using fixed fee percentages, the Operating Committee believes that strictly variable or metered funding models based on message traffic or share volume would be more likely to affect market behavior and may present administrative challenges (*e.g.,* the costs to calculate and monitor fees may exceed the fees charged to the smallest CAT Reporters).

(G) Other Alternatives Considered

In addition to the various funding model alternatives discussed above regarding discounts, number of tiers and allocation percentages, the Operating Committee also discussed other possible funding models. For example, the Operating Committee considered allocating the total CAT costs equally among each of the Participants, and then permitting each Participant to charge its own members as it deems appropriate.[58] The Operating Committee determined that such an approach raised a variety of issues, including the likely inconsistency of the ensuing charges, potential for lack of transparency, and the impracticality of multiple SROs submitting invoices for CAT charges. The Operating Committee therefore determined that the proposed funding model was preferable to this alternative.

(H) Industry Member Input

Commenters expressed concern regarding the level of Industry Member input into the development of the proposed funding model, and certain commenters have recommended a greater role in the governance of the CAT.[59] The Participants previously addressed this concern in its letters responding to comments on the Plan and the CAT Fees.[60] As discussed in those letters, the Participants discussed the funding model with the Development Advisory Group (''DAG''), the advisory group formed to assist in the development of the Plan, during its original development.[61] Moreover, Industry Members currently have a voice in the affairs of the Operating Committee and operation of the CAT generally through the Advisory Committee established pursuant to Rule 613(b)(7) and Section 4.13 of the Plan. The Advisory Committee attends all meetings of the Operating Committee, as well as meetings of various subcommittees and working groups, and provides valuable and critical input for the Participants' and Operating Committee's consideration. The Operating Committee continues to believe that that Industry Members have an appropriate voice regarding the funding of the Company.

(I) Conflicts of Interest

Commenters also raised concerns regarding Participant conflicts of interest in setting the CAT Fees.[62] The Participants previously responded to this concern in both the Plan Response Letter and the Fee Rule Response Letter.[63] As discussed in those letters, the Plan, as approved by the SEC, adopts various measures to protect against the potential conflicts issues raised by the Participants' fee-setting authority. Such measures include the operation of the Company as a not for profit business league and on a break-even basis, and the requirement that the Participants file all CAT Fees under Section 19(b) of the Exchange Act. The Operating Committee continues to believe that these measures adequately protect against concerns regarding conflicts of interest in setting fees, and that additional measures, such as an independent third party to evaluate an appropriate CAT Fee, are unnecessary.

(J) Fee Transparency

Commenters also argued that they could not adequately assess whether the CAT Fees were fair and equitable because the Operating Committee has not provided details as to what the Participants are receiving in return for the CAT Fees.[64] The Operating Committee provided a detailed discussion of the proposed funding model in the Plan, including the expenses to be covered by the CAT Fees. In addition, the agreement between the Company and the Plan Processor sets forth a comprehensive set of services to be provided to the Company with regard to the CAT. Such services include, without limitation: User support services (*e.g.,* a help desk); tools to allow each CAT Reporter to monitor and correct their submissions; a comprehensive compliance program to monitor CAT Reporters' adherence to Rule 613; publication of detailed Technical Specifications for Industry Members and Participants; performing data linkage functions; creating comprehensive data security and confidentiality safeguards; creating query functionality for regulatory users (*i.e.,* the Participants, and the SEC and SEC staff); and performing billing and collection functions. The Operating Committee further notes that the services provided by the Plan Processor and the costs related thereto were subject to a bidding process.

(K) Funding Authority

Commenters also questioned the authority of the Operating Committee to impose CAT Fees on Industry Members.[65] The Participants previously responded to this same comment in the Plan Response Letter and the Fee Rule Response Letter.[66] As the Participants previously noted, SEC Rule 613 specifically contemplates broker-dealers contributing to the funding of the CAT. In addition, as noted by the SEC, the CAT ''substantially enhance[s] the ability of the SROs and the Commission to oversee today's securities markets,''[67]

[57] Suspension Order at 31667.

[58] *See* FIA Principal Traders Group Letter at 2; Belvedere Letter at 4[sic].

[59] *See* Abrogation Order at 35010; MFA Letter at 1–2.

[60] Letter from Participants to Brent J. Fields, Secretary, SEC (Sept. 23, 2016) (''Plan Response Letter''); Letter from CAT NMS Plan Participants to Brent J. Fields, Secretary, SEC (June 29, 2017) (''Fee Rule Response Letter'').

[61] Fee Rule Response Letter at 2; Plan Response Letter at 18.

[62] *See* Abrogation Order at 35010; FIA Principal Traders Group at 3.

[63] *See* Plan Response Letter at 16, 17; Fee Rule Response Letter at 10–12.

[64] *See* FIA Principal Traders Group at 3; SIFMA Letter at 3.

[65] *See* Abrogation Order at 35009–10; SIFMA Letter at 2.

[66] *See* Plan Response Letter at 9–10; Fee Rule Response Letter at 3–4.

[67] Rule 613 Adopting Release at 45726.

thereby benefitting all market participants. Therefore, the Operating Committing continues to believe that it is equitable for both Participants and Industry Members to contribute to funding the cost of the CAT.

B. Governing or Constituent Documents

Not applicable.

C. Implementation of Amendment

The terms of the proposed amendment will become effective upon filing pursuant to Rule 608(b)(3)(i) of the Exchange Act because it establishes a fee or other charge collected on behalf of all of the Participants in connection with access to, or use of, any facility contemplated by the plan (including changes in any provision with respect to distribution of any net proceeds from such fees or other charges to the sponsors and/or participants).[68] At any time within sixty days of the filing of this amendment, the Commission may summarily abrogate the amendment and require that it be refiled pursuant to paragraph (b)(1) [sic] of Rule 608, if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors or the maintenance of fair and orderly markets, to remove impediments to, and perfect the mechanisms of, a national market system or otherwise in furtherance of the purposes of the Exchange Act.

D. Development and Implementation Phases

Not applicable.

E. Analysis of Impact on Competition

The Operating Committee does not believe that the proposed amendment will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act. The Operating Committee notes that the proposed amendment implements provisions of the CAT NMS Plan approved by the Commission, and is designed to assist the Participants in meeting their regulatory obligations pursuant to the Plan. Because all national securities exchanges and FINRA are subject to the proposed CAT Fees set forth in the proposed amendment, this is not a competitive filing that raises competition issues between and among the exchanges and FINRA.

Moreover, as previously described, the Operating Committee believes that the proposed fee schedule fairly and equitably allocates costs among CAT Reporters. In particular, the proposed fee schedule is structured to impose comparable fees on similarly situated CAT Reporters, and lessen the impact on smaller CAT Reporters. CAT Reporters with similar levels of CAT activity will pay similar fees. For example, Industry Members (other than Execution Venue ATSs) with higher levels of message traffic will pay higher fees, and those with lower levels of message traffic will pay lower fees. Similarly, Execution Venue ATSs and other Execution Venues with larger market share will pay higher fees, and those with lower levels of market share will pay lower fees. Therefore, given that there is generally a relationship between message traffic and/or market share to the CAT Reporter's size, smaller CAT Reporters generally pay less than larger CAT Reporters. Accordingly, the Operating Committee does not believe that the CAT Fees would have a disproportionate effect on smaller or larger CAT Reporters. In addition, ATSs and exchanges will pay the same fees based on market share. Therefore, the Operating Committee does not believe that the fees will impose any burden on the competition between ATSs and exchanges. Accordingly, the Operating Committee believes that the proposed fees will minimize the potential for adverse effects on competition between CAT Reporters in the market.

Furthermore, the tiered, fixed fee funding model limits the disincentives to providing liquidity to the market. Therefore, the proposed fees are structured to limit burdens on competitive quoting and other liquidity provision in the market.

In addition, the Operating Committee believes that the proposed changes to the Original Proposal, as discussed above in detail, address certain competitive concerns raised by commenters, including concerns related to, among other things, smaller ATSs, ATSs trading OTC Equity Securities, market making quoting and fee comparability. As discussed above, the Operating Committee believes that the proposals address the competitive concerns raised by commenters.

F. Written Understanding or Agreements Relating to Interpretation of, or Participation in, Plan.

Not applicable.

G. Approval by Plan Sponsors in Accordance With Plan

Section 12.3 of the Plan states that, subject to certain exceptions, the Plan may be amended from time to time only by a written amendment, authorized by the affirmative vote of not less than two-thirds of all of the Participants, that has been approved by the SEC pursuant to Rule 608 or has otherwise become effective under Rule 608. In addition, Section 4.3(a)(vi) of the Plan requires the Operating Committee, by Majority Vote, to authorize action to determine the appropriate funding-related policies, procedures and practices-consistent with Article XI. The Operating Committee has satisfied both of these requirements.

H. Description of Operation of Facility Contemplated by the Proposed Amendment

Not applicable.

I. Terms and Conditions of Access

Not applicable.

J. Method of Determination and Imposition, and Amount of, Fees and Charges

Section A of this letter describes in detail how the Operating Committee developed the proposed CAT Fees, including a detailed discussion of the proposed funding model for the CAT.

K. Method and Frequency of Processor Evaluation

Not applicable.

L. Dispute Resolution

Section 11.5 of the CAT NMS Plan addresses the resolution of disputes regarding Participants' CAT Fees charged to Participants and Industry Members. Specifically, Section 11.5 states that disputes with respect to fees the Company charges Participants pursuant to Article XI of the CAT NMS Plan shall be determined by the Operating Committee or a Subcommittee designated by the Operating Committee. Decisions by the Operating Committee or such designated Subcommittee on such matters shall be binding on Participants, without prejudice to the rights of any Participant to seek redress from the SEC pursuant to Rule 608 or in any other appropriate forum. In addition, the Participants adopted rules to establish the procedures for resolving potential disputes related to CAT Fees charged to Industry Members.[69]

III. 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. In particular, the Commission seeks comment on the following:

[68] 17 CFR 242.608(b)(3)(i).

[69] *See* Securities Exchange Act Rel. No. 81500 (Aug. 30, 2017), 82 FR 42143 (Sept. 6, 2017).

Allocation of Costs

(1) Commenters' views as to whether the allocation of CAT costs is consistent with the funding principle expressed in the CAT NMS Plan that requires the Operating Committee to ''avoid any disincentives such as placing an inappropriate burden on competition and a reduction in market quality.'' [70]

(2) Commenters' views as to whether the allocation of 25% of CAT costs to the Execution Venues (including all the Participants) and 75% to Industry Members, will incentivize or disincentivize the Participants to effectively and efficiently manage the CAT costs incurred by the Participants since they will only bear 25% of such costs.

(3) Commenters' views on the determination to allocate 75% of all costs incurred by the Participants from November 21, 2016 to November 21, 2017 to Industry Members (other than Execution Venue ATSs), when such costs are development and build costs and when Industry Member reporting is scheduled to commence a year later, including views on whether such ''fees, costs and expenses . . . [are] fairly and reasonably shared among the Participants and Industry Members'' in accordance with the CAT NMS Plan.[71]

(4) Commenters' views on whether an analysis of the ratio of the expected Industry Member-reported CAT messages to the expected SRO-reported CAT messages should be the basis for determining the allocation of costs between Industry Members and Execution Venues.[72]

(5) Any additional data analysis on the allocation of CAT costs, including any existing supporting evidence.

Comparability

(6) Commenters' views on the shift in the standard used to assess the comparability of CAT Fees, with the emphasis now on comparability of individual entities instead of affiliated entities, including views as to whether this shift is consistent with the funding principle expressed in the CAT NMS Plan that requires the Operating Committee to establish a fee structure in which the fees charged to ''CAT Reporters with the most CAT-related activity (measured by market share and/or message traffic, as applicable) are generally comparable (where, for these comparability purposes, the tiered fee structure takes into consideration affiliations between or among CAT Reporters, whether Execution Venues and/or Industry Members).'' [73]

(7) Commenters' views as to whether the reduction in the number of tiers for Industry Members (other than Execution Venue ATSs) from nine to seven, the revised allocation of CAT costs between Equity Execution Venues and Options Execution Venues from a 75%/25% split to a 67%/33% split, and the adjustment of all tier percentages and recovery allocations achieves comparability across individual entities, and whether these changes should have resulted in a change to the allocation of 75% of total CAT costs to Industry Members (other than Execution Venue ATSs) and 25% of such costs to Execution Venues.

Discounts

(8) Commenters' views as to whether the discounts for options market-makers, equities market-makers, and Equity ATSs trading OTC Equity Securities are clear, reasonable, and consistent with the funding principle expressed in the CAT NMS Plan that requires the Operating Committee to ''avoid any disincentives such as placing an inappropriate burden on competition and a reduction in market quality,'' [74] including views as to whether the discounts for market-makers limit any potential disincentives to act as a market-maker and/or to provide liquidity due to CAT fees.

Calculation of Costs and Imposition of CAT Fees

(9) Commenters' views as to whether the amendment provides sufficient information regarding the amount of costs incurred from November 21, 2016 to November 21, 2017, particularly, how those costs were calculated, how those costs relate to the proposed CAT Fees, and how costs incurred after November 21, 2017 will be assessed upon Industry Members and Execution Venues;

(10) Commenters' views as to whether the timing of the imposition and collection of CAT Fees on Execution Venues and Industry Members is reasonably related to the timing of when the Company expects to incur such development and implementation costs.[75]

(11) Commenters' views on dividing CAT costs equally among each of the Participants, and then each Participant charging its own members as it deems appropriate, taking into consideration the possibility of inconsistency in charges, the potential for lack of transparency, and the impracticality of multiple SROs submitting invoices for CAT charges.

Burden on Competition and Barriers to Entry

(12) Commenters' views as to whether the allocation of 75% of CAT costs to Industry Members (other than Execution Venue ATSs) imposes any burdens on competition to Industry Members, including views on what baseline competitive landscape the Commission should consider when analyzing the proposed allocation of CAT costs.

(13) Commenters' views on the burdens on competition, including the relevant markets and services and the impact of such burdens on the baseline competitive landscape in those relevant markets and services.

(14) Commenters' views on any potential burdens imposed by the fees on competition between and among CAT Reporters, including views on which baseline markets and services the fees could have competitive effects on and whether the fees are designed to minimize such effects.

(15) Commenters' general views on the impact of the proposed fees on economies of scale and barriers to entry.

(16) Commenters' views on the baseline economies of scale and barriers to entry for Industry Members and Execution Venues and the relevant markets and services over which these economies of scale and barriers to entry exist.

(17) Commenters' views as to whether a tiered fee structure necessarily results in less active tiers paying more per unit than those in more active tiers, thus creating economies of scale, with supporting information if possible.

(18) Commenters' views as to how the level of the fees for the least active tiers would or would not affect barriers to entry.

(19) Commenters' views on whether the difference between the cost per unit (messages or market share) in less active tiers compared to the cost per unit in more active tiers creates regulatory economies of scale that favor larger competitors and, if so:

(a) How those economies of scale compare to operational economies of scale; and

(b) Whether those economies of scale reduce or increase the current advantages enjoyed by larger competitors or otherwise alter the competitive landscape.

[70] Section 11.2(e) of the CAT NMS Plan.

[71] Section 11.1(c) of the CAT NMS Plan.

[72] The Notice for the CAT NMS Plan did not provide a comprehensive count of audit trail message traffic from different regulatory data sources, but the Commission did estimate the ratio of all SRO audit trail messages to OATS audit trail messages to be 1.9431. *See* Securities Exchange Act Release No. 77724 (April 27, 2016), 81 FR 30613, 30721 n.919 and accompanying text (May 17, 2016).

[73] Section 11.2(c) of the CAT NMS Plan.

[74] Section 11.2(e) of the CAT NMS Plan.

[75] Section 11.1(c) of the CAT NMS Plan.

(20) Commenters' views on whether the fees could affect competition between and among national securities exchanges and FINRA, in light of the fact that implementation of the fees does not require the unanimous consent of all such entities, and, specifically:

(a) Whether any of the national securities exchanges or FINRA are disadvantaged by the fees; and

(b) If so, whether any such disadvantages would be of a magnitude that would alter the competitive landscape.

(21) Commenters' views on any potential burden imposed by the fees on competitive quoting and other liquidity provision in the market, including, specifically:

(a) Commenters' views on the kinds of disincentives that discourage liquidity provision and/or disincentives that the Commission should consider in its analysis;

(b) Commenters' views as to whether the fees could disincentivize the provision of liquidity; and

(c) Commenters' views as to whether the fees limit any disincentives to provide liquidity.

(22) Commenters' views as to whether the amendment adequately responds to and/or addresses comments received on related filings.

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 4–698 on the subject line.

Paper Comments

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

A. All submissions should refer to File Number 4–698.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 website (*http://www.sec.gov/rules/sro.shtml*). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed plan amendment that are filed with the Commission, and all written communications relating to the amendment 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 website 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 such filing also will be available for inspection and copying at the Participants' offices. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number 4–698 and should be submitted on or before February 1, 2018.

By the Commission.

Eduardo A. Aleman,

Assistant Secretary.

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APPENDIX A

[Additions underlined; deletions bracketed]

EXHIBIT B

CAT FEES

(a) Participant CAT Fee Schedule.

(1) CAT Fees: Execution Venues for NMS Stocks and/or OTC Equity Securities.

The CAT NMS, LLC will assign each Execution Venue for NMS Stocks and/or OTC Equity Securities to a fee tier once every quarter, where such tier assignment is calculated by ranking each such Execution Venue based on its total market share (with a discount for the OTC Equity Securities market share of Equity Execution Venue ATSs trading OTC Equity Securities as well as the market share of the FINRA OTC reporting facility based on the average shares per trade ratio between NMS Stocks and OTC Equity Securities) for the three months prior to the quarterly tier calculation day and assigning each such Execution Venue to a tier based on that ranking and predefined percentages for such Execution Venues. The Execution Venues for NMS Stocks and/or OTC Equity Securities with the higher total quarterly market share will be ranked in Tier 1, and such Execution Venues with the lowest quarterly market share will be ranked in Tier 4. Each quarter, each Execution Venue for NMS Stocks and/or OTC Equity Securities shall pay in the manner prescribed by the CAT NMS, LLC the following CAT Fee corresponding to the tier assigned by the CAT NMS, LLC for such Execution Venue for that quarter:

Tier	Percentage of Execution Venues for NMS Stocks and/or OTC Equity Securities	Quarterly CAT Fee
1	25.00%	$81,048
2	42.00%	$37,062
3	23.00%	$21,126
4	10.00%	$129

(2) CAT Fees: Execution Venues for Listed Options

The CAT NMS, LLC will assign each Execution Venue for Listed Options to a fee tier once every quarter, where such tier assignment is calculated by ranking each such Execution Venue based on its total market share for the three months prior to the quarterly tier calculation day and assigning each such Execution Venue to a tier based on that ranking and predefined percentages for such Execution Venues. The Execution Venues for Listed Options with the higher total quarterly market share will be ranked in Tier 1, and such Execution Venues with the lower quarterly market share will be ranked in Tier 2. Each quarter, each Execution Venue for Listed Options shall pay in the manner prescribed by the CAT NMS, LLC the following CAT

Fee corresponding to the tier assigned by the CAT NMS, LLC for such Execution Venue for that quarter:

Tier	Percentage of Execution Venues for Listed Options	Quarterly CAT Fee
1	75.00%	$81,381
2	25.00%	$37,629

(3) Expiration

These Participant CAT Fees will automatically expire two years after their operative date.

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Appendix B

EQUITY EXECUTION VENUE RANK AND TIER

Market participant	Market share of share volume [76] (%)	Rank	Tier
Financial Industry Regulatory Authority, Inc	24.4118512850143	1	1
The NASDAQ Stock Market LLC	14.3221316394514	2	1
New York Stock Exchange LLC	13.1631222177691	3	1
NYSE Arca, Inc	9.3963074291365	4	1
Cboe EDGX Exchange, Inc	6.3267638314653	5	1
Cboe BZX Exchange, Inc	6.1478229789347	6	1
Cboe BYX Exchange, Inc	4.7643781647716	7	1
NASDAQ BX, Inc	3.1401372815484	8	1
UBS ATS	2.3058693548856	9	1
Investors' Exchange, LLC	2.1483648334229	10	1
Cboe EDGA Exchange, Inc	1.8513467967001	11	1
CROSSFINDER	1.6894565311740	12	1
SUPERX	1.0115687555972	13	1
MS POOL (ATS–4)	0.9188826526803	14	2
NASDAQ PHLX LLC	0.8009596014408	15	2
J.P. MORGAN ATS ("JPM–X")	0.7936361365369	16	2
BARCLAYS ATS ("LX")	0.6719255553783	17	2
LEVEL ATS	0.6571986459767	18	2
INSTINCT X	0.5956036029620	19	2
BIDS TRADING L.P	0.5837401323782	20	2
INSTINET CONTINUOUS BLOCK CROSSING SYSTEM (CBX)	0.4723979596673	21	2
KCG MATCHING	0.4682553983691	22	2
POSIT	0.4435281677014	23	2
Chicago Stock Exchange, Inc	0.4241409043731	24	2
SIGMA X	0.3157563290949	25	2
MS TRAJECTORY CROSS (ATS–1)	0.2654339378079	26	2
NYSE American LLC	0.2342627717196	27	2
IBKR ATS	0.2038196304470	28	2
CROSSSTREAM	0.1772292674940	29	2
SIGMA X2	0.1705392273292	30	2
LIQUIDNET ATS	0.1499973113804	31	2
MILLENNIUM	0.1365496066290	32	2
CITICROSS	0.1349428742591	33	2
LIQUIDNET H20 ATS	0.1282036311445	34	2
DEALERWEB, INC	0.1156677493258	35	2
OTC LINK ATS [77]	0.1148240026713	36	3
BLOCKCROSS ATS	0.0979883294279	37	3
INSTINET CROSSING	0.0763929064441	38	3
CODA MARKETS, INC	0.0662166896390	39	3
LUMINEX TRADING & ANALYTICS LLC	0.0304261486817	40	3
MS RETAIL POOL	0.0295389976553	41	3
CITIBLOC	0.0251235534421	42	3
USTOCKTRADE SECURITIES, INC	0.0089509616229	43	3
AQUA SECURITIES L.P	0.0052275918715	44	3
XE	0.0031219820548	45	3

EQUITY EXECUTION VENUE RANK AND TIER—Continued

Market participant	Market share of share volume [76] (%)	Rank	Tier
GLOBAL OTC	0.0002467471213	46	3
BARCLAYS DIRECTEX	0.0001494994467	47	3
VARIABLE INVESTMENT ADVISORS, INC. ATS (VIAATS)	0.0000002922675	48	4
FNC AG STOCK, LLC	0.0000000607782	49	4
DBOT ATS, LLC	0.0000000429086	50	4
PRO SECURITIES ATS	0.0000000000004	51	4
NYSE National, Inc	0.0000000000000	52	4

OPTIONS EXECUTION VENUE RANK AND TIER

Market participant	Market share of share volume (options contracts) [78] (%)	Rank	Tier
Cboe Exchange, Inc	17.30	1	1
NASDAQ PHLX LLC	16.89	2	1
Cboe BZX Options Exchange, Inc	12.36	3	1
The NASDAQ Options Market LLC	10.01	4	1
Nasdaq ISE, LLC	9.06	5	1
NYSE Arca, Inc	7.74	6	1
NYSE American LLC	7.60	7	1
Miami International Securities Exchange, LLC	5.07	8	1
Nasdaq GEMX, LLC	5.04	9	1
Cboe C2 Exchange, Inc	3.79	10	1
BOX Options Exchange LLC	2.30	11	1
Cboe EDGX Options Exchange, Inc	1.40	12	2
NASDAQ BX, Inc	0.70	13	2
MIAX PEARL, LLC	0.61	14	2
Nasdaq MRX, LLC	0.13	15	2

[76] Market share is based on Q2 2017 data made publicly available by Bats (exchange market statistics source), FINRA (ATS market statistics source), and OTC Markets (ATS market statistics source).

[77] Market share for OTC Link ATS is based on the Q2 2017 data made publicly available by OTC Markets.

[78] The market share is based on Q2 data made publicly available by Bats.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–82448; File No. SR–NYSEArca–2017–131]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Amendment No. 2 and Order Approving on an Accelerated Basis a Proposed Rule Change, as Modified by Amendment No. 2, To List and Trade Shares of the Sprott Physical Gold and Silver Trust Under NYSE Arca Rule 8.201–E

January 5, 2018.

I. Introduction

On November 9, 2017, NYSE Arca, Inc. (''NYSE Arca'' or ''Exchange'') 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 list and trade shares of the Sprott Physical Gold and Silver Trust under NYSE Arca Rule 8.201–E. The proposed rule change was published for comment in the **Federal Register** on November 24, 2017.[3] On December 21, 2017, the Exchange filed Amendment No. 1 to the proposed rule change, which superseded the proposed rule change as originally filed. On January 4, 2018, the Exchange filed Amendment No. 2 to the proposed rule change, which superseded the proposed rule change as modified by Amendment No. 1.[4] The Commission has not received any comments on the proposed rule change.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See See* Securities Exchange Act Release No. 82116 (Nov. 17, 2017), 82 FR 55898.

[4] In Amendment No. 2, the Exchange: (1) Corrected the definition for Commodity-Based Trust Shares and supplemented its representations relating to the continued listing requirements applicable to the Units (as defined herein); (2) supplemented its description of the assets other than physical gold and silver bullion that may be held by the Trust; (3) provided specific information about the ratio of the value of net assets in gold bullion to the value of net assets in silver bullion to be held by the Trust; (4) provided updated information pertaining to the Arrangement (as defined herein); (5) supplemented its description of how the Trust's net asset value (''NAV'') will be calculated; (6) provided information about gold and silver certificates; (7) supplemented its description of the U.S. futures exchanges and the Commodities Futures Trading Commission; (8) added a representation that the NAV will be calculated daily and made available to all market participants at the same time, and that the IIV (as defined herein) will be calculated at least every fifteen seconds and made available to all market participants at the same time; (9) specified that the Exchange may obtain information regarding trading in gold and silver futures from markets trading such futures that are members of ISG (as defined herein) or with which the Exchange has in place a CSSA (as defined herein), including COMEX (as defined herein); (10) specified and confirmed that the Units would trade in all of the Exchange's trading sessions; (11) referenced additional language to be included in the Information Bulletin relating to the possibility that trading spreads and the resulting premium or discount on the Units (as defined herein) may widen as a result of reduced liquidity of gold or silver trading during the Core and Late Trading Sessions after the close of the major world gold and silver markets; and (12) made certain technical, Exchange rule reference, and other conforming corrections. Amendment No. 2 is available at: *https://www.sec.gov/comments/sr-nysearca-2017-131/nysearca2017131-2873835-161766.pdf.*

The Commission is publishing this notice to solicit comments on Amendment No. 2 from interested persons, and is approving the proposed rule change, as modified by Amendment No. 2, on an accelerated basis.

II. Description of the Proposed Rule Change, as Modified by Amendment No. 2

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 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 Statutory Basis for, the Proposed Rule Change

1. Purpose

Under NYSE Arca Rule 8.201–E(a), the Exchange may propose to list and/or trade pursuant to unlisted trading privileges (''UTP''), ''Commodity-Based Trust Shares.'' [5] The Exchange proposes to list and trade shares of the Trust pursuant to NYSE Arca Rule 8.201–E, defined herein and in the Proxy Circular (defined below) as ''Units.'' [6] The Units will be issued in connection with a plan of arrangement under the Alberta Business Corporations Act (''Arrangement'') involving Sprott Inc. (''Sprott''), the Trust, Central Fund of Canada Limited (''CFCL'') and its shareholders, The Central Group Alberta Ltd. (''CGAL'') and its shareholders and 2070140 Alberta Ltd. (''2070140'') as described in ''Description of the Arrangement'' below.

Sprott Asset Management LP will be the sponsor and manager of the Trust (''Manager'').[7] RBC Investor Services Trust (''RBC'') will be the trustee and valuation agent of the Trust (''Trustee'' or ''Valuation Agent,'' as the case may be) [8] and the custodian of the Trust's assets other than physical gold and silver bullion, comprising principally cash, cash equivalents,[9] government debt obligations and money market mutual funds (''Non-Gold and Silver Custodian'').[10] The Trust will appoint a custodian for the Trust's physical gold and silver bullion (''Gold and Silver Custodian'').[11] The TSX Trust Company will be the transfer agent of the Trust (''Transfer Agent'').

The Commission has previously approved listing on the Exchange under NYSE Arca Rules 5.2–E(j)(5) and 8.201–E of other precious metals and gold-based commodity trusts, including: Merk Gold Trust; [12] ETFS Gold Trust; [13] ETFS Platinum Trust; [14] ETFS Palladium Trust; [15] APMEX Physical-1 oz. Gold Redeemable Trust; [16] Sprott Gold Trust; [17] iShares Silver Trust; [18] iShares COMEX Gold Trust; [19] and Long Dollar Gold Trust.[20] Prior to their listing on the Exchange, the Commission approved listing of the streetTRACKS Gold Trust on the New York Stock Exchange [21] and listing of iShares COMEX Gold Trust and iShares Silver Trust on the American Stock Exchange LLC.[22] In addition, the Commission has approved trading of the streetTRACKS Gold Trust and iShares Silver Trust on the Exchange pursuant to UTP.[23]

The Exchange represents that the Units satisfy the requirements of NYSE

[5] The term ''Commodity-Based Trust Shares'' means a security (a) that is issued by a trust that holds a specified commodity deposited with the trust; (b) that is issued by such Trust in a specified aggregate minimum number in return for a deposit of a quantity of the underlying commodity; and (c) that, when aggregated in the same specified minimum number, may be redeemed at a holder's request by such trust which will deliver to the redeeming holder the quantity of the underlying commodity.

[6] This Amendment No. 2 to SR–NYSEArca–2017–131 replaces SR–NYSEArca–2017–131 as originally filed and Amendment 1 thereto and supersedes such filing in its entirety.

[7] The Manager is a limited partnership formed and organized under the laws of the Province of Ontario, Canada, and acts as manager of the Trust pursuant to the trust agreement and the management agreement. The Manager will be responsible for the day-to-day activities and administration of the Trust. The Manager will manage and direct the business and affairs of the Trust. Additional details regarding the Manager are set forth in the Proxy Circular. The Manager has adopted a policy pursuant to which any entity or account that is: (a) Managed; or (b) for whom investment decisions are made, directly or indirectly, by a person that is involved in the decision-making process of, or has non-public information about, follow-on offerings of the Trust is prohibited from investing in the Trust, and no such decision-making person is permitted to invest in the Trust for that decision-making person's benefit, directly or indirectly.

[8] RBC is a trust company existing under the laws of Canada. RBC is affiliated with a broker-dealer. RBC has represented to the Exchange that it has put in place and will maintain the appropriate information barriers and controls between itself and the broker-dealer affiliate so that the broker-dealer affiliate will not have access to information concerning the composition and/or changes to the Trust's holdings that are not available on the Trust's website. The Trustee will hold title to the Trust's assets on behalf of the unitholders of the Trust (''Unitholders'') and will have exclusive authority over the assets and affairs of the Trust. The Trustee has a fiduciary responsibility to act in the best interest of the Unitholders. Additional details regarding the Trustee are set forth in the Proxy Circular.

[9] *See,* note 27, *infra.*

[10] According to the Proxy Circular, the Non-Gold and Silver Custodian will be responsible for the safekeeping of all of the assets of the Trust, other than physical gold and silver bullion, delivered to it and will act as the custodian of such assets. The Manager, in accordance with applicable law and with the consent of the Trustee, will have the authority to change the custodial arrangement including, but not limited to, the appointment of a replacement custodian and/or additional custodians. Additional details regarding the Non-Gold and Silver Custodian are set forth in the Proxy Circular.

[11] According to the Proxy Circular, the Trust's physical gold and silver bullion will be fully allocated and stored with the Gold and Silver Custodian or a sub-custodian of the Gold and Silver Custodian. The Gold and Silver Custodian will be responsible for and will bear all risk of the loss of, and damage to, the Trust's physical gold and silver bullion that is in its or its sub-custodian's custody, subject to certain limitations based on events beyond the Gold and Silver Custodian's control. The Manager, with the consent of the Trustee, may determine to change the custodial arrangements of the Trust. Additional details regarding the Gold and Silver Custodian are set forth in the Proxy Circular.

[12] *See,* Securities Exchange Act Release No. 71378 (January 23, 2014), 79 FR 4786 (January 29, 2014) (SR–NYSEArca–2013–137).

[13] *See,* Securities Exchange Act Release No. 59895 (May 8, 2009), 74 FR 22993 (May 15, 2009) (SR–NYSEArca–2009–40).

[14] *See,* Securities Exchange Act Release No. 61219 (December 22, 2009), 74 FR 68886 (December 29, 2009) (SR–NYSEArca–2009–95).

[15] *See,* Securities Exchange Act Release No. 61220 (December 22, 2009), 74 FR 68895 (December 29, 2009) (SR–NYSEArca–2009–94).

[16] *See,* Securities Exchange Act Release No 66930 (May 7, 2012), 77 FR 27817 (May 11, 2012) (SR–NYSEArca–2012–18).

[17] *See,* Securities Exchange Act Release No. 61496 (February 4, 2010), 75 FR 6758 (February 10, 2010) (SR–NYSEArca–2009–113).

[18] *See,* Securities Exchange Act Release No. 58956 (November 14, 2008), 73 FR 71074 (November 24, 2008) (SR–NYSEArca–2008–124) (approving listing on the Exchange of the iShares Silver Trust).

[19] *See,* Securities Exchange Act Release No. 56224 (August 8, 2007), 72 FR 45850 (August 15, 2007) (SR–NYSEArca–2007–76) (approving listing on the Exchange of the streetTRACKS Gold Trust); Securities Exchange Act Release No. 56041 (July 11, 2007), 72 FR 39114 (July 17, 2007) (SR–NYSEArca–2007–43) (order approving listing on the Exchange of iShares COMEX Gold Trust).

[20] *See,* Securities Exchange Act Release No. 79518 (December 9, 2016), 81 FR 90876 (December 15, 2016) (SR–NYSEArca–2016–84) (order approving listing and trading of shares of the Long Dollar Gold Trust).

[21] *See,* Securities Exchange Act Release No. 50603 (October 28, 2004), 69 FR 64614 (November 5, 2004) (SR–NYSE–2004–22) (order approving listing of streetTRACKS Gold Trust on NYSE).

[22] *See,* Securities Exchange Act Release Nos. 51058 (January 19, 2005), 70 FR 3749 (January 26, 2005) (SR–Amex–2004–38) (order approving listing of iShares COMEX Gold Trust on the American Stock Exchange LLC); 53521 (March 20, 2006), 71 FR 14967 (March 24, 2006) (SR–Amex–2005–72) (approving listing on the American Stock Exchange LLC of the iShares Silver Trust).

[23] *See,* Securities Exchange Act Release Nos. 53520 (March 20, 2006), 71 FR 14977 (March 24, 2006) (SR–PCX–2005–117) (approving trading on the Exchange pursuant to UTP of the iShares Silver Trust); 51245 (February 23, 2005), 70 FR 10731 (March 4, 2005) (SR–PCX–2004–117) (approving trading on the Exchange of the streetTRACKS Gold Trust pursuant to UTP).

Arca Rule 8.201–E and thereby qualify for listing on the Exchange.[24]

Description of the Arrangement

CFCL is a passive, non-operating, specialized investment holding company organized under the laws of the Province of Alberta, which buys and holds almost entirely pure refined gold and silver bullion, primarily in international bar form. The issued and outstanding share capital of CFCL consists of common shares (''CFCL Common Shares'') and Class A non-voting shares (''CFCL Class A Shares''). The CFCL Class A Shares are listed for trading on the Toronto Stock Exchange (''TSX'') under the symbols ''CEF.A'' (Cdn.$) and ''CEF.U'' (U.S.$), and on the NYSE American under the symbol ''CEF.'' CFCL is a ''foreign private issuer,'' as defined in Rule 3b–4 under the Exchange Act.

According to the Manager, under the Arrangement, the Trust will acquire all the assets and assume all the liabilities of CFCL (other than CFCL's administration agreement), in exchange for that number of fully paid and non-assessable Units as is equal to the aggregate number of CFCL Class A Shares and CFCL Common Shares issued and outstanding immediately prior to the effective time of the Arrangement. The CFCL Common Shares and the common shares of 2070140 will be acquired by Sprott in exchange for, among other things, cash consideration of $105 million Canadian dollars and 6,997,379 common shares of Sprott. CFCL will then promptly redeem and cancel the outstanding CFCL Class A Shares and the CFCL Common Shares and distribute to the former holders thereof one Unit for each such share held.

Approval of holders of two-thirds of the issued and outstanding CFCL Class A Shares and of the issued and outstanding CFCL Common Shares each voting as a separate class, as well as a majority of uninterested (in the transaction) holders of the issued and outstanding CFCL Class A Shares and of the issued and outstanding CFCL Common Shares, each voting as a separate class, is required to effect the Arrangement.[25] Requisite shareholder approvals were obtained at a meeting of such shareholders held on November 30, 2017. In addition, on December 5, 2017, at a hearing before the Court of Queen's Bench Alberta (Calgary) (''Court'') at which any holder of CFCL Class A Shares and CFCL Common Shares had the right to appear, the Court passed upon the substantive and procedural fairness of the terms and conditions of the Arrangement to holders of CFCL Class A Shares and CFCL Common Shares and as such, the distribution of Units to the holders of the CFCL Class A Shares will be exempt from registration under the Securities Act of 1933, as amended (''Securities Act'') pursuant to Section 3(a)(10) thereof, which exempts the issuance of any securities issued in exchange for one or more bona fide outstanding securities from the general requirement of registration where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction, after a hearing upon the fairness of the terms and conditions of such issuance and exchange at which all persons to whom it is proposed to issue the securities have the right to appear and receive timely notice thereof.

The CFCL Class A Shares are registered under Section 12(b) of the Exchange Act, based upon a listing of the CFCL Class A Shares on the NYSE American. Pursuant to Rule 12g–3(a) under the Exchange Act, the Units will ''succeed'' to the Section 12(b) Exchange Act registration of the CFCL Class A Shares upon completion of the Arrangement. In order to change the Section 12(b) registration of the Units from one based upon a listing on the NYSE American to one based upon a listing on the NYSE Arca, the Trust will file a separate initial registration statement on Form 8–A under the Exchange Act to register the Units under the Exchange Act based upon a listing of the Units on the NYSE Arca.

After completion of the Arrangement, the Trust will furnish current reports to the Commission on Form 6–K in accordance with Rules 13a–1 and/or 13a–3 under the Exchange Act. The Trust will also file with the Commission annual reports on Form 40–F under the Canada/U.S. Multijurisdictional Disclosure System. Information included in such filings (and which will be made available to Unitholders) will include (i) annual information form, (ii) annual financial statements, (iii) annual management report on fund performance (''MRFP''), (iv) quarterly financial statements, (v) quarterly MRFP and (vi) report of independent review committee.

Operation of the Trust

According to the Proxy Circular, the investment objective of the Trust is to participate in the Arrangement and to subsequently invest and hold substantially all of its assets in physical gold and silver bullion.[26] The Trust is authorized to issue an unlimited number of Units in an unlimited number of classes and series of a class. Each Unit of a class or series of a class represents an undivided ownership interest in the net assets of the Trust attributable to that class or series of a class of Units.

The Trust seeks to provide a secure, convenient and exchange-traded investment alternative for investors interested in holding physical gold and silver bullion without the inconvenience that is typical of a direct investment in physical gold and silver bullion. The Trust will invest primarily in long-term holdings of unencumbered, fully allocated, physical gold and silver bullion and will not speculate with regard to short-term changes in gold and silver prices. Pursuant to the trust agreement, the Manager has full authority and exclusive power to manage and direct the business and affairs of the Trust, subject to the Trust's investment and operating restrictions.[27]

[24] With respect to application of Rule 10A–3 (17 CFR 240.10A–3) under the Exchange Act, the Trust relies on the exemption contained in Rule 10A–3(c)(7).

[25] In connection therewith, CFCL prepared and mailed a proxy circular, dated October 26, 2017 (''Proxy Circular''), soliciting such approval at the meeting of such holders to be held on November 30, 2017, unless adjourned or postponed. The Proxy Circular was furnished by CFCL to the Commission (File No. 001–09038) on November 8, 2017, under cover of Form 6–K. The descriptions of the Trust and the Units contained herein are based, in part, on the Proxy Circular.

[26] The Trust has obtained exemptive relief from the Canadian securities regulatory authorities for relief from certain requirements of National Instrument 81–102—*Investment Funds,* legislation which governs mutual funds and non-redeemable investment funds in each of the provinces and territories of Canada (''Exemptive Relief''), to permit: (i) The Trust to invest up to 100% of its assets in physical gold or silver bullion; (ii) the appointment of the Gold and Silver Custodian as custodian of the Trust's physical gold or silver bullion assets, if required; (iii) purchases of Units on the Exchange and the TSX and redemption requests to be submitted directly to the registrar and Transfer Agent of the Trust; (iv) the redemption of Units and payment upon redemption of Units all as described under ''Redemption for Physical Gold and Silver'' and ''Redemption of Units for Cash''; and (v) the Trust to establish a record date for distributions in accordance with the policies of the TSX and the Exchange.

[27] The Trust's investment and operating restrictions provide that the Trust will invest in and hold a minimum of 90% of the total net assets of the Trust in physical gold and silver bullion in ''London Good Delivery'' bar (as defined in ''Operation of the Gold and Silver Markets'' below) form and hold no more than 10% of the total net assets of the Trust, at the discretion of the Manager, in (i) physical gold and silver bullion (in London Good Delivery bar form or otherwise), (ii) gold or silver coins, (iii) debt obligations of or guaranteed by the Government of Canada or a province of Canada or by the Government of the United States or a state thereof (each, a ''Government''), (iv) money market mutual funds, (v) interest-bearing accounts, (vi) cash and (vii) the following short-term instruments: Short-term commercial paper

According to the Manager, the Trust will not invest in gold or silver certificates [28] (other than legacy gold and silver certificates previously held by CFCL which historically represent less than 1% of CFCL's assets, and which will be sold for cash as soon as practicable following the completion of the Arrangement) or other financial instruments that represent gold or silver or that may be exchanged for gold or silver and will not purchase, sell or hold derivatives. The Trust does not anticipate making regular cash distributions to Unitholders. According to the Manager, the value of gold bullion is currently approximately ⅔, and the value of silver bullion is currently approximately ⅓, of CFCL's net assets. It is the intention of the Trust, subject to the discretion of the Manager, to maintain a ratio of the value of net assets in gold bullion to the value of net assets in silver bullion at approximately ⅔ to ⅓. It does not expect that its investment in either gold bullion or silver bullion would be less than 15% to 20% of its net assets on a long-term basis. However, changes in the relative prices of gold and silver bullion, redemptions or other events beyond the control of the Manager could cause the relative investments in gold and silver bullion to vary from these percentages.

According to the Proxy Circular, the Trust is neither an investment company registered or required to be registered under the Investment Company Act of 1940, as amended,[29] nor a commodity pool for purposes of the Commodity Exchange Act (''CEA''),[30] and neither the Manager nor the Trustee is subject to regulation as a commodity pool operator or a commodity trading adviser in connection with the operation of the Trust.

Operation of the Gold and Silver Markets

According to the Proxy Circular, the global trade in gold and silver consists of over-the-counter (''OTC''), transactions in spot, forwards and options and other derivatives, together with exchange-traded futures and options. The participants in the world gold market may be classified in the following sectors: The mining and producer sector; the banking sector; the official sector; the investment sector; and the manufacturing sector. The participants in the world silver industry may be classified by the following sectors: The mining and producer sector; the banking sector; the investment sector; the fabrication and manufacturing sector; and the official sector.

According to the Proxy Circular, the OTC gold market and OTC silver market include spot, forward and option and other derivative transactions conducted on a principal-to-principal basis. While the OTC gold market and the OTC silver market are global, nearly 24-hour per day markets, the main centers for both OTC markets are London, New York and Zurich. Thirteen members of the London Bullion Market Association (''LBMA''), the London-based trade association that acts as the coordinator for activities conducted on behalf of its members and other participants in the London bullion market, act as OTC market makers for both the OTC gold market and the OTC silver market, and most OTC market trades for both markets are cleared through London.[31] The LBMA plays an important role in setting OTC gold and OTC silver trading industry standards. The LBMA's ''London Good Delivery Lists'' identify approved refiners of gold and silver.

According to the Proxy Circular, in the OTC gold market and the OTC silver market, gold and silver that meet the specifications for weight, dimensions, fineness (or purity), identifying marks (including the assay stamp of an LBMA-acceptable refiner) and appearance set forth in ''The Good Delivery Rules for Gold and Silver Bars'' published by the LBMA are ''London Good Delivery'' bars. A gold London Good Delivery bar must contain between 350 and 430 fine troy ounces of gold with a minimum fineness of 995 parts per 1,000. A silver London Good Delivery bar must contain between 750 ounces and 1,100 ounces of silver with a minimum fineness of 999 parts per 1,000.

According to the Proxy Circular, the most significant gold and silver futures exchanges are the COMEX, operated by Commodities Exchange, Inc. (''COMEX''), a subsidiary of New York Mercantile Exchange, Inc. (''NYMEX''), and a subsidiary of CME Group Inc. (''CME Group''),[32] and the Tokyo Commodity Exchange. U.S. futures exchanges are registered with the Commodities Futures Trading Commission and seek to provide a neutral, regulated marketplace for the trading of derivatives contracts for commodities, such as futures, options and certain swaps.

Initial Distribution and Redemption of Units

According to the Proxy Circular, 252,156,003 Units are expected to be issued in connection with the Arrangement. Each outstanding Unit represents an equal, fractional, undivided ownership interest in the net assets of the Trust attributable to the Units. The Trust will not issue additional Units of the class offered in the Arrangement following the completion of the Arrangement except: (i) If the net proceeds per Unit to be received by the Trust are not less than 100% of the most recently calculated net asset value (''NAV'') per Unit immediately prior to, or upon, the determination of the pricing of such issuance; or (ii) by way of distribution of Units in connection with an income distribution. According to the Manager, the Trust does not intend to issue new Units, or redeem existing Units, on a day-to-day basis.

Units may be redeemed at the option of the Unitholder on a monthly basis for physical gold and silver bullion or cash, as described below.

Redemption for Physical Gold and Silver

According to the Manager, subject to the terms of the trust agreement, a Unitholder may redeem Units for physical gold and silver bullion, provided the redemption request is for the Minimum Bullion Redemption Amount. ''Minimum Bullion Redemption Amount'' means 100,000 Units, provided that if 100,000 Units is not at least equivalent to the aggregate

obligations of a corporation or other person whose short-term commercial paper is rated R–1 (or its equivalent, or higher) by Dominion Bond Rating Service Limited or its successors or assigns or F1 (or its equivalent, or higher) by Fitch Ratings or its successors or assigns or A–1 (or its equivalent, or higher) by Standard & Poor's or its successors or assigns or P–1(or its equivalent, or higher) by Moody's Investor Service or its successors or assigns short-term certificates of deposit issued or guaranteed by a Canadian chartered bank or trust company, short-term government debt, short-term investment grade corporate debt or other short-term debt obligations approved by the Manager from time to time (for the purpose of this paragraph, the term ''short-term'' means having a date of maturity or call for payment not more than 182 days from the date on which the investment is made) (such short-term instruments, ''cash equivalents''), except during the 60-day period following the closing of additional offerings or prior to the distribution of the assets of the Trust. Pursuant to the Exemptive Relief, the Trust is permitted to invest up to 100% of its net assets, taken at market value of the time of purchase, in physical gold and silver bullion.

[28] Gold or silver certificates are financial instruments representing a promissory claim for gold or silver bullion, which may be exchanged for physical gold or silver bullion held by a custodian.

[29] 15 U.S.C. 80a–1.

[30] 17 U.S.C. 1.

[31] Following the enactment of the Financial Markets Act 2012, the Prudential Regulation Authority of the Bank of England is responsible for regulating most of the financial firms that are active in the bullion market, and the Financial Conduct Authority is responsible for consumer and competition issues.

[32] CME Group is a member of the Intermarket Surveillance Group (''ISG''). *See* note 39, *infra.*

value of (i) one London Good Delivery bar of gold, (ii) the Proportionate Silver Amount (as defined below) and (iii) applicable expenses, the Minimum Bullion Redemption Amount shall be such number of Units as are at least equivalent to the aggregate value of (a) one London Good Delivery bar of gold, (b) the Proportionate Silver Amount and (c) applicable expenses. ''Proportionate Silver Amount'' means such number of London Good Delivery bars of silver with an aggregate value (as at the valuation time on the applicable redemption date in the month during which the redemption request is processed) that is proportionate to the aggregate value of one London Good Delivery bar of gold based on the proportionate value of physical gold and silver bullion held by the Trust (as at the valuation time on the applicable redemption date in the month during which the redemption request is processed). Units redeemed for physical gold and silver bullion will have a redemption value equal to the aggregate value of the NAV per Unit of the redeemed Units on the last day of the month on which the Exchange is open for trading in the month during which the redemption request is processed (less applicable expenses described below) (''Redemption Amount'').

The amount of physical gold and silver bullion a redeeming Unitholder is entitled to receive will be determined by the Manager, who will allocate the Redemption Amount to physical gold and silver bullion in direct proportion to the value of physical gold and silver bullion held by the Trust at the time of redemption (''Bullion Redemption Amount''). The quantity of each particular metal delivered to a redeeming Unitholder will be dependent on the applicable Bullion Redemption Amount and the number and individual weight of London Good Delivery bars of that metal that are held by the Trust on the redemption date. A redeeming Unitholder may not receive physical gold and silver bullion in the proportions then held by the Trust and, if the Trust does not have a London Good Delivery bar of a particular metal in inventory of a value equal to or less than the applicable Bullion Redemption Amount, the redeeming Unitholder will not receive any of that metal. The ability of a Unitholder to redeem Units for physical gold and silver bullion may be limited by the number of London Good Delivery bars held by the Trust at the time of redemption. Any Bullion Redemption Amount in excess of the value of the London Good Delivery bar or an integral multiple thereof of the particular metal to be delivered to the redeeming Unitholder will be paid in cash, as such excess amount will not be combined with any excess amounts in respect of the other metal for the purpose of delivering additional physical gold and silver bullion.

A Unitholder that owns a sufficient number of Units who desires to exercise redemption privileges for physical gold and silver bullion must do so by instructing his, her or its broker, who must be a direct or indirect participant of CDS Clearing and Depository Services Inc. or The Depository Trust Company, to deliver to the Transfer Agent on behalf of the Unitholder a written notice (''Bullion Redemption Notice'') of the Unitholder's intention to redeem Units for physical gold and silver bullion. Pursuant to the Exemptive Relief, the Transfer Agent is permitted to directly accept redemption requests. A Bullion Redemption Notice must be received by the Transfer Agent no later than 4:00 p.m., Eastern Time (''E.T.''), on the 15th day of the month in which the Bullion Redemption Notice will be processed or, if such day is not a business day, then on the immediately following day that is a business day. Any Bullion Redemption Notice received after such time will be processed in the next month.

A Unitholder redeeming Units for physical gold and silver bullion will receive the physical gold and silver bullion from the Gold and Silver Custodian. Physical gold and silver bullion received by a Unitholder as a result of a redemption of Units will be delivered by armored transportation service carrier pursuant to delivery instructions provided by the Unitholder to the Manager, provided that the delivery instructions are acceptable to the armored transportation service carrier. The armored transportation service carrier will be engaged by or on behalf of, and the costs in connection therewith, will be borne by the redeeming Unitholder. Such physical gold and silver bullion can be delivered: (i) To an account established by the Unitholder at an institution located in North America authorized to accept and hold London Good Delivery bars; (ii) in the United States, to any physical address (subject to approval by the armored transportation service carrier); (iii) in Canada, to any business address (subject to approval by the armored transportation service carrier); and (iv) outside of the United States and Canada, to any address approved by the armored transportation service carrier. Physical gold and silver bullion delivered to an institution located in North America authorized to accept and hold London Good Delivery bars will likely retain its London Good Delivery status while in the custody of such institution; physical gold and silver bullion delivered pursuant to a Unitholder's delivery instruction to a destination other than an institution located in North America authorized to accept and hold London Good Delivery bars will no longer be deemed London Good Delivery once received by the Unitholder. Costs associated with the redemption of Units and the delivery of physical gold and silver bullion will be borne by the redeeming Unitholder.

The armored transportation service carrier will receive physical gold and silver bullion in connection with a redemption of Units approximately 10 business days after the end of the month in which the Bullion Redemption Notice is processed. Once the physical gold and silver bullion representing the redeemed Units has been placed with the armored transportation service carrier, the Gold and Silver Custodian will no longer bear the risk of loss of, and damage to, such physical gold and silver bullion. In the event of a loss after the physical gold and silver bullion has been placed with the armored transportation service carrier, the Unitholder will not have recourse against the Trust or the Gold and Silver Custodian.

Redemption of Units for Cash

According to the Proxy Circular, Unitholders whose Units are redeemed for cash will be entitled to receive a redemption price per Unit equal to 95% of the lesser of: (i) The volume-weighted average trading price of the Units traded on the Exchange or, if trading has been suspended on the Exchange, the trading price of the shares traded on the TSX,[33] for the last five days on which the respective exchange is open for trading for the month in which the redemption request is processed; and (ii) the NAV of the redeemed Units as of 4:00 p.m., ET, on the last day of such month on which the Exchange is open for trading. Pursuant to the Exemptive Relief, the redemption price will be permitted to be less than 100% of the NAV per Unit. Cash redemption proceeds will be transferred to a redeeming Unitholder approximately three business days after the end of the month in which such redemption request is processed by the Trust.

To redeem Units for cash, a Unitholder must instruct the

[33] The Exchange can receive information regarding transactions on TSX through the Investment Industry Regulatory Organization of Canada, which is a member of the ISG. *See* note 39, *infra.*

Unitholder's broker to deliver a notice to redeem Units for cash (''Cash Redemption Notice'') to the Transfer Agent. The Transfer Agent is permitted to directly accept redemption requests. A Cash Redemption Notice must be received by the Transfer Agent no later than 4:00 p.m., ET, on the 15th day of the month in which the Cash Redemption Notice will be processed or, if such day is not a business day, then on the immediately following day that is a business day. Any Cash Redemption Notice received after such time will be processed in the next month.

Net Asset Value

According to the Proxy Circular, the Valuation Agent will calculate the NAV for each class of Units as of 4:00 p.m., ET, on each business day. The NAV as of the valuation time on each business day will be the amount obtained by deducting from the aggregate fair market value of the assets of the Trust as of such date an amount equal to the fair value of the liabilities of the Trust (excluding all liabilities represented by outstanding Units, if any) as of such date.[34] The NAV per Unit will be determined by dividing the NAV of the Trust on a date by the total number of Units then outstanding on such date. According to the Manager, the fair market value of the assets of the Trust will be determined as follows:

(i) The value of physical gold and silver bullion will be its market value based on the price provided by a widely recognized pricing service as directed by the Manager and, if such service is not available, such physical gold and silver bullion will be valued at prices provided by another pricing service as determined by the Manager, in consultation with the Valuation Agent;

(ii) the value of any cash on hand or on deposit (including interest-bearing accounts), accounts receivable, prepaid expenses, prepaid assets and interest accrued and not yet received, will be deemed to be the full amount thereof unless the Manager determines that any such deposit, account receivable, prepaid expense, prepaid asset or interest is not worth the full amount thereof, in which event the value thereof will be deemed to be such value as the Manager determines to be the fair value thereof;

(iii) the value of any cash equivalents will be at their cost plus accrued interest;

(iv) the value of any debt instruments (including obligations of or guaranteed by a Government) for which active markets exist (other than cash equivalents), and money market mutual funds, will be at the quoted value thereof;

(v) the value of any assets for which no price quotations are available or, in the opinion of the Manager (which may delegate such responsibility to the Valuation Agent under the valuation services agreement), to which the above valuation principles cannot or should not be applied, will be the fair value thereof determined from time to time in such manner as the Manager (or the Valuation Agent, as the case may be) will from time to time provide; and

(vi) the value of all assets and liabilities of the Trust valued in terms of a currency other than the currency used to calculate the NAV will be converted to the currency used to calculate the NAV by applying the rate of exchange obtained from the best available sources to the Valuation Agent as agreed upon by the Manager including, but not limited to, the Trustee or any of its affiliates.

Secondary Market Trading

According to the Proxy Circular, Units may trade in the market at a premium or discount to the NAV per Unit. The amount of the discount or premium in the trading price relative to the NAV may be influenced by non-concurrent trading hours between the COMEX and the Exchange and the TSX. According to the Proxy Circular, while the Units will trade on the Exchange during the Early, Core and Late Trading Sessions as specified in NYSE Arca Rule 7.34–E(a), liquidity in the global gold and silver markets will be reduced after the close of the COMEX at 1:30 p.m., ET. As a result, during this time, trading spreads, and the resulting premium or discount to the NAV, may widen.

Availability of Information Regarding Gold and Silver

Currently, the Consolidated Tape Plan does not provide for dissemination of the spot price of a commodity, such as gold or silver, over the Consolidated Tape. However, there will be disseminated over the Consolidated Tape the quotation and last sale price for the Units, as is the case for all equity securities traded on the Exchange. In addition, there is a considerable amount of gold and silver price and gold and silver market information available on public websites and through professional and subscription services.

Investors may obtain on a 24-hour basis gold or silver pricing information based on the spot price for an ounce of gold or silver from various financial information service providers, such as Reuters and Bloomberg. Reuters and Bloomberg provide at no charge on their websites delayed information regarding the spot price of gold and silver and last sale prices of gold and silver futures, as well as information about news and developments in the gold and silver market. Reuters and Bloomberg also offer a professional service to subscribers for a fee that provides information on gold and silver prices directly from market participants. ICAP plc provides an electronic trading platform called EBS for the trading of spot gold and silver, as well as a feed of real-time streaming prices, delivered as record-based digital data from the EBS platform to its customer's market data platform via Bloomberg or Reuters.

Complete real-time data for gold and silver futures and options prices traded on the COMEX are available by subscription from Reuters and Bloomberg. The NYMEX also provides delayed futures and options information on current and past trading sessions and market news free of charge on its website. There are a variety of other public websites providing information on gold and silver, ranging from those specializing in precious metals to sites maintained by major newspapers. In addition, the LBMA Gold Price and the LBMA Silver Price are publicly available at no charge at *www.lbma.org.uk.*

Availability of Information

The intra-day indicative value (''IIV'') per Unit will be disseminated by one or more major market data vendors. The IIV will be calculated based on the amount of gold and silver held by the Trust and a price of gold and silver derived from updated bids and offers indicative of the spot prices of gold and silver.[35]

The IIV will be widely disseminated on a per Unit basis every 15 seconds

[34] According to the Manager, the Trust is a mutual fund under applicable Canadian securities legislation and must calculate its NAV pursuant to Part 14 of National Instrument 81–106—*Investment Fund Continuous Disclosure* (''NI 81–106''), a rule applicable to Canadian investment funds and administered by Canadian securities regulatory authorities. Pursuant to Subsection 14.2(1) of NI 81–106, the Trust must subtract the ''fair value'' of its liabilities from the fair value of its assets when calculating its NAV. Subsection 14.2(1.2) of NI 81–106 defines fair value as (a) the market value based on reported prices and quotations in an active market; or (b) if the market value is not available, or the Manager believes that it is unreliable, a value that is fair and reasonable in all the relevant circumstances, and requires the Manager to establish and maintain appropriate written policies and procedures for determining fair value of the Trust's assets and liabilities and to consistently follow those policies and procedures.

[35] The IIV on a per Unit basis disseminated during the NYSE Arca Core Trading Session should not be viewed as a real-time update of the NAV, which will be calculated once a day.

during the NYSE Arca Core Trading Session by one or more major market data vendors. In addition, the IIV will be available through on-line information services.

The website for the Trust, which will be publicly accessible at no charge, will contain the following information: (a) The mid-point of the bid/ask price [36] at the close of trading in relation to the NAV as of the time the NAV is calculated (''Bid/Ask Price'') and a calculation of the premium or discount of such price against such NAV; and (b) data in chart format displaying the frequency distribution of discounts and premiums of the Bid/Ask Price against the NAV, within appropriate ranges, for each of the four previous calendar quarters (or for the life of the Trust, if shorter). The Trust website will provide the last sale price of the Units as traded in the U.S. market, as well as a breakdown, provided on a daily basis, of the holdings of the Trust by metal type. The website for the Trust will also provide the information described in the penultimate paragraph of ''Description of the Arrangement'' above.

The Trust's daily (or as determined by the Manager in accordance with the trust agreement) NAV will be posted on the Trust's website as soon as practicable. In addition, the Exchange will make available over the Consolidated Tape quotation information, trading volume, closing prices and NAV per Unit from the previous day.

Criteria for Initial and Continued Listing

The Trust will be subject to the criteria in NYSE Arca Rule 8.201–E, including 8.201–E(e), for initial and continued listing of the Units.

A minimum of 100,000 Units will be required to be outstanding at the start of trading. The Exchange believes that the anticipated minimum number of Units outstanding at the start of trading is sufficient to provide adequate market liquidity. The Trust represents that the NAV will be calculated daily and made available to all market participants at the same time. The Trust also represents that the IIV will be calculated at least every fifteen seconds and made available to all market participants at the same time.

Trading Rules

The Exchange deems the Units to be equity securities, thus rendering trading in the Units subject to the Exchange's existing rules governing the trading of equity securities. Trading in the Units on the Exchange will occur during the Early, Core and Late Trading Sessions as specified in NYSE Arca Rule 7.34–E(a). The Exchange has appropriate rules to facilitate transactions in the Units during all trading sessions. As provided in NYSE Arca Rule 7.6–E, the minimum price variation (''MPV'') for quoting and entry of orders in equity securities traded on the NYSE Arca Marketplace is $0.01, with the exception of securities that are priced less than $1.00 for which the MPV for order entry is $0.0001.

Further, NYSE Arca Rule 8.201–E sets forth certain restrictions on Equity Trading Permit Holders (''ETP Holders'') acting as registered Market Makers in the Units to facilitate surveillance. Pursuant to NYSE Arca Rule 8.201–E(g), an ETP Holder acting as a registered Market Maker in the Units is required to provide the Exchange with information relating to its trading in the underlying gold and silver and related futures or options on futures or any other related derivatives. Commentary .04 of NYSE Arca Rule 11.3 requires an ETP Holder acting as a registered Market Maker, and its affiliates, in the Units to establish, maintain and enforce written policies and procedures reasonably designed to prevent the misuse of any material, nonpublic information with respect to such products, any components of the related products, any physical asset or commodity underlying the product, applicable currencies, underlying indexes, related futures or options on futures and any related derivative instruments (including the Units).

As a general matter, the Exchange has regulatory jurisdiction over its ETP Holders and their associated persons, which include any person or entity controlling an ETP Holder. A subsidiary or affiliate of an ETP Holder that does business only in commodities or futures contracts would not be subject to Exchange jurisdiction, but the Exchange could obtain information regarding the activities of such subsidiary or affiliate through surveillance sharing agreements with regulatory organizations of which such subsidiary or affiliate is a member.

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Units. Trading on the Exchange in the Units may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Units inadvisable. These may include: (1) The extent to which conditions in the underlying gold or silver market have caused disruptions and/or lack of trading; or (2) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present. In addition, trading in Units will be subject to trading halts caused by extraordinary market volatility pursuant to the Exchange's ''circuit breaker'' rule.[37]

The Exchange will halt trading in the Units if the NAV of the Trust is not calculated or disseminated daily. The Exchange may halt trading during the day in which an interruption occurs to the dissemination of the IIV. If the interruption to the dissemination of the IIV persists past the trading day in which it occurs, the Exchange will halt trading no later than the beginning of the trading day following the interruption. In addition, if the Exchange becomes aware that the NAV with respect to the Units is not disseminated to all market participants at the same time, it will halt trading in the Units until such time as the NAV is available to all market participants.

Surveillance

The Exchange represents that trading in the Units will be subject to the existing trading surveillances administered by the Exchange, as well as cross-market surveillances administered by the Financial Industry Regulatory Authority (''FINRA'') on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws.[38] The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Units in all trading sessions and to deter and detect violations of Exchange rules and federal securities laws applicable to trading on the Exchange.

The surveillances referred to above generally focus on detecting securities trading outside their normal patterns, which could be indicative of manipulative or other violative activity. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Units with other markets and other entities that are members of the ISG, and the Exchange or FINRA, on behalf of the Exchange, or both, may

[36] The bid/ask price of the Trust is determined using the highest bid and lowest offer on the Consolidated Tape as of the time of calculation of the closing day NAV.

[37] *See* NYSE Arca Rule 7.12–E.

[38] FINRA conducts cross-market surveillances on behalf of the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA's performance under this regulatory services agreement.

obtain trading information regarding trading in the Units from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Units from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement (''CSSA'').[39] The Exchange may obtain information regarding trading in gold and silver futures from markets trading such futures that are members of ISG or with which the Exchange has in place a CSSA, including COMEX.

Also, pursuant to NYSE Arca Rule 8.201–E(g), the Exchange is able to obtain information regarding trading in the Units and the underlying gold and silver and related futures or options on futures or any other related derivatives through ETP Holders acting as registered Market Makers, in connection with such ETP Holders' proprietary or customer trades through ETP Holders which they effect on any relevant market.

The Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

All statements and representations made in this filing regarding (a) the description of the portfolio holdings or reference assets, (b) limitations on portfolio holdings or reference assets and (c) the applicability of Exchange listing rules specified in this rule filing shall constitute continued listing requirements for listing the Units on the Exchange.

The Manager has represented to the Exchange that it will advise the Exchange of any failure by the Trust to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Exchange Act, the Exchange will monitor for compliance with the continued listing requirements. If the Trust is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under NYSE Arca Rule 5.5–E(m).

Information Bulletin

Prior to the commencement of trading, the Exchange will inform its ETP Holders in an ''Information Bulletin'' of the special characteristics and risks associated with trading the Units. Specifically, the Information Bulletin will discuss the following: (1) Redemptions of Units; (2) NYSE Arca Rule 9.2–E(a), which imposes a duty of due diligence on its ETP Holders to learn the essential facts relating to every customer prior to trading the Units; (3) how information regarding the IIV is disseminated; (4) the possibility that trading spreads and the resulting premium or discount on the Units may widen as a result of reduced liquidity of gold or silver trading during the Core and Late Trading Sessions after the close of the major world gold and silver markets; and (5) trading information.

In addition, the Information Bulletin will reference that the Trust is subject to various fees and expenses as described in the Proxy Circular. The Information Bulletin will disclose that information about the Units of the Trust is publicly available on the Trust's website.

The Information Bulletin will also discuss any relief, if granted, by the Commission or the staff from any rules under the Exchange Act.

2. Statutory Basis

The basis under the Exchange Act for this proposed rule change is the requirement under Section 6(b)(5)[40] that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices in that the Units will be listed and traded on the Exchange pursuant to the initial and continued listing criteria in NYSE Arca Rule 8.201–E. The Exchange has in place surveillance procedures that are adequate to properly monitor trading in the Units in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws. The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Units with other markets that are members of the ISG, and the Exchange or FINRA, on behalf of the Exchange, or both, may obtain trading information regarding trading in the Units from such markets. In addition, the Exchange may obtain information regarding trading in the Units from markets that are members of ISG or with which the Exchange has in place a CSSA. The Exchange may obtain information regarding trading in gold and silver futures from markets trading such futures that are members of ISG or with which the Exchange has in place a CSSA, including COMEX. Also, pursuant to NYSE Arca Rule 8.201–E(g), the Exchange is able to obtain information regarding trading in the Units and the underlying gold and silver through ETP Holders acting as registered Market Makers, in connection with such ETP Holders' proprietary or customer trades through ETP Holders which they effect on any relevant market.

The proposed rule change is designed to promote just and equitable principles of trade and to protect investors and the public interest. There is a considerable amount of gold and silver price and gold and silver market information available on public websites and through professional and subscription services. Investors may obtain on a 24-hour basis gold or silver pricing information based on the spot price for an ounce of gold or silver from various financial information service providers, such as Reuters and Bloomberg. Reuters and Bloomberg provide at no charge on their websites delayed information regarding the spot price of gold and silver and last sale prices of gold and silver futures, as well as information about news and developments in the gold and silver market. Reuters and Bloomberg also offer a professional service to subscribers for a fee that provides information on gold and silver prices directly from market participants. ICAP plc provides an electronic trading platform called EBS for the trading of spot gold and silver, as well as a feed of real-time streaming prices, delivered as record-based digital data from the EBS platform to its customer's market data platform via Bloomberg or Reuters.

Complete real-time data for gold and silver futures and options prices traded on the COMEX are available by subscription from Reuters and Bloomberg. The NYMEX also provides delayed futures and options information on current and past trading sessions and market news free of charge on its website. There are a variety of other public websites providing information on gold and silver, ranging from those specializing in precious metals to sites maintained by major newspapers. In addition, the LBMA Gold Price and LBMA Silver Price are publicly available at no charge at *www.lbma.org.uk.*

The Trust's daily (or as determined by the Manager in accordance with the trust agreement) NAV will be posted on the Trust's website as soon as practicable. The Trust's website will provide an IIV per Unit, as calculated by a third party financial data provider

[39] For the list of current members of ISG, *see https://www.isgportal.org/home.html.*

[40] 15 U.S.C. 78f(b)(5).

during the Exchange's Core Trading Session.

Quotation and last-sale information regarding the Units will be disseminated through the facilities of the Consolidated Tape Association. The IIV will be widely disseminated on a per Unit basis every 15 seconds during the NYSE Arca Core Trading Session by one or more major market data vendors. In addition, the IIV will be available through on-line information services. The Exchange represents that the Exchange may halt trading during the day in which an interruption to the dissemination of the IIV occurs. If the interruption to the dissemination of the IIV persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption. In addition, if the Exchange becomes aware that the NAV with respect to the Units is not disseminated to all market participants at the same time, it will halt trading in the Units until such time as the NAV is available to all market participants. The NAV per Unit will be calculated daily and made available to all market participants at the same time. One or more major market data vendors will disseminate for the Trust on a daily basis information with respect to the recent NAV per Unit and Units outstanding.

The proposed rule change is designed to perfect the mechanism of a free and open market and, in general, to protect investors and the public interest in that it will facilitate the listing and trading of an additional type of exchange-traded product that will enhance competition among market participants, to the benefit of investors and the marketplace. As noted above, the Exchange has in place surveillance procedures relating to trading in the Units and may obtain information via ISG from other exchanges that are members of ISG or with which the Exchange has entered into a CSSA. The Exchange may obtain information regarding trading in gold and silver futures from markets trading such futures that are members of ISG or with which the Exchange has in place a CSSA, including COMEX. In addition, as noted above, investors will have ready access to information regarding gold and silver pricing and gold and silver futures information.

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 Exchange Act. The Exchange believes the proposed rule change will enhance competition by accommodating Exchange trading of an additional exchange-traded product relating to physical gold and silver.

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

No written comments were solicited or received with respect to the proposed rule change.

III. Discussion and Commission Findings

After careful review, the Commission finds that the Exchange's proposed rule change, as modified by Amendment No. 2, to list and trade the Units is consistent with the Act and the rules and regulations thereunder applicable to a national securities exchange.[41] In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,[42] which requires, among other things, that the Exchange's rules be designed to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

The Commission notes that the Exchange has represented that gold and silver futures trade on markets that are regulated by the Commodities Futures Trading Commission and that the Exchange will be able to share surveillance information with one of the ''most significant'' markets for gold and silver futures.[43] The Commission has previously approved the listing and trading of other gold- and silver-based commodity trusts, noting the existence of surveillance-sharing agreements between the listing exchange and significant, regulated markets for gold and silver futures,[44] and the Commission finds that the Exchange will be able to share surveillance information with a significant, regulated market for trading futures on gold and silver.

The Commission also finds that the proposal is consistent with Section 11A(a)(1)(C)(iii) of the Act,[45] which sets forth Congress' finding that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities. Quotation and last-sale price of the Units will be disseminated over the Consolidated Tape.

The Commission believes that the proposed rule change is reasonably designed to promote fair disclosure of information that may be necessary to price the Units appropriately. NYSE Arca Rule 8.201–E(e)(2)(v) requires that an IIV (which is referred to in the rule as the ''Indicative Trust Value'') be calculated and disseminated at least every 15 seconds. The IIV per Unit will be calculated based on the amount of gold and silver held by the Trust and a price of gold and silver derived from updated bids and offers indicative of the spot prices of gold and silver. The IIV will be widely disseminated on a per Unit basis every 15 seconds during the NYSE Arca Core Trading Session by one or more major market data vendors. In addition, the IIV will be available through on-line information services.[46]

Additionally, the Valuation Agent will calculate the NAV for each class of Units as of 4:00 p.m., E.T., on each business day.[47] The website for the Trust will contain the following information: (a) The mid-point of the Bid/Ask Price and a calculation of the premium or discount of such price

[41] In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[42] 15 U.S.C. 78f(b)(5).

[43] Specifically, the Exchange represents that the most significant gold and silver futures exchanges are the COMEX, operated by Commodities Exchange, Inc., a subsidiary of NYMEX and a subsidiary of CME Group, and that it may obtain information regarding trading in gold and silver futures from markets that are members of ISG or with which the Exchange has in place a CSSA, including COMEX. *See* Amendment No. 2, *supra* note 4, at 11, 20. The Exchange also represents that the U.S. futures exchanges are registered with the Commodities Futures Trading Commission. *See* Amendment No. 2, *supra* note 4, at 11.

[44] *See, e.g.,* iShares COMEX Gold Trust, Exchange Act Release No. 51058 (Jan. 19, 2005), 70 FR 3749, 3751, 3754 (Jan. 26, 2005) (SR–Amex–2004–38) (approval order notes the American Stock Exchange's representation that ''the most significant gold futures exchanges are the COMEX division of the NYMEX and the Tokyo Commodity Exchange'' and that the American Stock Exchange has ''in place an Information Sharing Agreement with the NYMEX for the purpose of providing information in connection with trading in or related to COMEX gold futures contracts''); iShares Silver Trust, Exchange Act Release No. 53521 (Mar. 20, 2006), 71 FR 14967, 14968, 14973 (Mar. 24, 2006) (SR–Amex–2005–72) (approval order notes the American Stock Exchange's representation that ''the most significant silver futures exchanges are the COMEX and the Tokyo Commodity Exchange'' and that the American Stock Exchange has ''in place an Information Sharing Agreement with the NYMEX for the purpose of providing information in connection with trading in or related to COMEX silver futures contracts'').

[45] 15 U.S.C. 78k–1(a)(1)(C)(iii).

[46] *See* Amendment No. 2, *supra* note 4, at 17.

[47] *See id.* at 14.

against the NAV; and (b) data in chart format displaying the frequency distribution of discounts and premiums of the Bid/Ask Price against the NAV, within appropriate ranges, for each of the four previous calendar quarters. According to the Exchange, the Trust's website also will provide the last sale price of the Units as traded in the U.S. market, as well as a breakdown, provided on a daily basis, of the holdings of the Trust by metal type. In addition, the Exchange will make available over the Consolidated Tape quotation information, trading volume, closing prices, and NAV per Unit from the previous day.[48]

According to the Exchange, investors may obtain on a 24-hour basis gold or silver pricing information based on the spot price for an ounce of gold or silver from various financial information service providers, such as Reuters and Bloomberg. Reuters and Bloomberg provide at no charge on their websites delayed information regarding the spot price of gold and silver and last sale prices of gold and silver futures, as well as information about news and developments in the gold and silver market. Reuters and Bloomberg also offer a professional service to subscribers for a fee that provides information on gold and silver prices directly from market participants. ICAP plc provides an electronic trading platform called EBS for the trading of spot gold and silver, as well as a feed of real-time streaming prices, delivered as record-based digital data from the EBS platform to its customer's market data platform via Bloomberg or Reuters.[49]

In addition, the Exchange notes that complete real-time data for gold and silver futures and options prices traded on the COMEX are available by subscription from Reuters and Bloomberg. NYMEX also provides delayed futures and options information on current and past trading sessions and market news free of charge on its website. There are a variety of other public websites providing information on gold and silver, ranging from those specializing in precious metals to sites maintained by major newspapers. In addition, the Exchange represents that the LBMA Gold Price and the LBMA Silver Price are publicly available at no charge at *www.lbma.org.uk*.[50]

The Commission also believes that the proposal is reasonably designed to prevent trading when a reasonable degree of transparency cannot be assured. With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Units. Trading on the Exchange in the Units may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Units inadvisable. These may include: (1) The extent to which conditions in the underlying gold or silver market have caused disruptions or lack of trading, or (2) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present. In addition, trading in Units will be subject to trading halts caused by extraordinary market volatility pursuant to the Exchange's ''circuit breaker'' rule.[51] The Exchange will halt trading in the Units if the NAV of the Trust is not calculated or disseminated daily or if not made available to all participants at the same time.[52] If the Exchange becomes aware that the NAV with respect to the Units is not disseminated to all market participants at the same time, it will halt trading in the Units until such time as the NAV is available to all market participants.[53] The Exchange may halt trading during the day in which an interruption occurs to the dissemination of the IIV; if the interruption to the dissemination of the IIV persists past the trading day in which it occurs, the Exchange will halt trading no later than the beginning of the trading day following the interruption.[54]

Additionally, the Commission notes that market makers in the Units would be subject to the requirements of NYSE Arca Rule 8.201–E(g), which allow the Exchange to ensure that they do not use their positions to violate the requirements of Exchange rules or applicable federal securities laws.[55]

In support of this proposal, the Exchange has made the following additional representations:

(1) The Trust will be subject to the criteria in NYSE Arca Rule 8.201–E, including 8.201–E(e), for initial and continued listing of the Units.[56]

(2) The Exchange has appropriate rules to facilitate transactions in the Units during all trading sessions.[57]

(3) The Exchange deems the Units to be equity securities.[58]

(4) The Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.[59]

(5) Trading in the Units will be subject to the existing trading surveillances administered by the Exchange, as well as cross-market surveillances administered by FINRA on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws, and that these procedures are adequate to properly monitor Exchange trading of the Units in all trading sessions and to deter and detect violations of Exchange rules and federal securities laws applicable to trading on the Exchange.[60]

(6) The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Units with other markets and other entities that are members of the ISG, and the Exchange or FINRA, on behalf of the Exchange, or both, may obtain trading information regarding trading in the Units from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Units from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.[61] The Exchange also may obtain information regarding trading in gold and silver futures from markets trading such futures that are members of ISG or with which the Exchange has in place a CSSA, including COMEX.[62]

(7) Prior to the commencement of trading, the Exchange will inform its ETP Holders in an Information Bulletin of the special characteristics and risks associated with trading the Units. Specifically, the Information Bulletin will discuss the following: (a) Redemptions of Units; (b) NYSE Arca Rule 9.2–E(a), which imposes a duty of due diligence on its ETP Holders to learn the essential facts relating to every customer prior to trading the Units; (c) how information regarding the IIV is disseminated; (e) the possibility that trading spreads and the resulting premium or discount on the Units may widen as a result of reduced liquidity of gold or silver trading during the Core and Late Trading Sessions after the close of the major world gold and silver markets; and (e) trading information.[63]

[48] *See id.* at 17.

[49] *See id.* at 16, 22.

[50] *See id.* at 17, 22.

[51] *See id.* at 19.

[52] *See id.*

[53] *See id.* at 19, 22.

[54] *See id.*

[55] Commentary .04 of NYSE Arca Equities Rule 11.3 requires that an ETP Holder acting as a registered market maker in the Units, and its affiliates, establish, maintain and enforce written policies and procedures reasonably designed to prevent the misuse of any material nonpublic information with respect to such products, any components of the related products, any physical asset or commodity underlying the product, applicable currencies, underlying indexes, related futures or options on futures, and any related derivative instruments.

[56] *See* Amendment No. 2, *supra* note 4, at 18.

[57] Trading in the Units on the Exchange will occur during the Early, Core, and Late Trading Sessions as specified in NYSE Arca Rule 7.34–E(a). *See id.* at 16, 18.

[58] *See id.* The Commission notes that, as a result, trading of the Units will be subject to the Exchange's existing rules governing the trading of equity securities.

[59] *See id.* at 20.

[60] FINRA conducts cross-market surveillances on behalf of the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA's performance under this regulatory services agreement. *See id.* at 19, n. 36.

[61] *See id.* at 20.

[62] *See id.* at 20, 21, 23.

[63] *See id.* at 20–21.

(8) The Trust's investment and operating restrictions provide that the Trust will invest in and hold a minimum of 90% of its total net assets in physical gold and silver bullion in ''London Good Delivery'' bar form, and hold no more than 10% of the total net assets of the Trust, at the discretion of the Manager, in: (i) Physical gold and silver bullion (in London Good Delivery bar form or otherwise); (ii) gold or silver coins; (iii) debt obligations of or guaranteed by a Government; (iv) money market mutual funds; (v) interest-bearing accounts; (vi) cash; and (vii) cash equivalents, except during the 60-day period following the closing of additional offerings or prior to the distribution of the assets of the Trust.[64]

(9) According to the Manager, the value of gold bullion is currently approximately ⅔, and the value of silver bullion is currently approximately ⅓, of CFCL's net assets. It is the intention of the Trust, subject to the discretion of the Manager, to maintain a ratio of the value of net assets in gold bullion to the value of net assets in silver bullion at approximately ⅔ to ⅓. It does not expect that its investment in either gold bullion or silver bullion would be less than 15% to 20% of its net assets on a long-term basis. However, changes in the relative prices of gold and silver bullion, redemptions or other events beyond the control of the Manager could cause the relative investments in gold and silver bullion to vary from these percentages.[65]

(10) According to the Manager, the Trust will not invest in gold or silver certificates (other than legacy gold and silver certificates previously held by CFCL which historically represent less than 1% of CFCL's assets, and which will be sold for cash as soon as practicable following the completion of the Arrangement) or other financial instruments that represent gold or silver or that may be exchanged for gold or silver, and will not purchase, sell, or hold derivatives.[66]

(11) All statements and representations made in this filing regarding (a) The description of the portfolio holdings or reference assets, (b) limitations on portfolio holdings or reference assets, and (c) the applicability of Exchange listing rules specified in this rule filing shall constitute continued listing requirements for listing the Units on the Exchange.[67]

(12) The Manager has represented to the Exchange that it will advise the Exchange of any failure by the Trust to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will monitor for compliance with the continued listing requirements. If the Trust is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under NYSE Arca Rule 5.5–E(m).[68]

(13) A minimum of 100,000 Units will be required to be outstanding at the start of trading.

This approval order is based on all of the Exchange's representations—including those set forth above and in Amendment No. 2—and the Exchange's description of the Trust.

For the foregoing reasons, the Commission finds that the proposed rule change, as modified by Amendment No. 2, is consistent with Section 6(b)(5) of the Act[69] and the rules and regulations thereunder applicable to a national securities exchange.

IV. Solicitation of Comments on Amendment No. 2 to the Proposed Rule Change

Interested persons are invited to submit written data, views, and arguments concerning Amendment No. 2 to the proposed rule change. 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–NYSEArca–2017–131 on the subject line.

Paper Comments

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

All submissions should refer to File Number SR–NYSEArca–2017–131. 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 website (*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 website 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 this filing will also be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–NYSEArca–2017–131 and should be submitted on or before February 1, 2018

V. Accelerated Approval of Proposed Rule Change, as Modified by Amendment No. 2

The Commission finds good cause to approve the proposed rule change, as modified by Amendment No. 2, prior to the 30th day after the date of publication of notice of Amendment No. 2 in the **Federal Register**. Amendment No. 2 supplements the proposal by providing additional information regarding, among other things: (1) The Trust's primary holdings in gold and silver bullion and the other assets that would comprise the remaining holdings of the Trust; (2) the ability of the Exchange to obtain information regarding trading in gold and silver futures from markets trading such futures that are members of ISG or with which the Exchange has in place a CSSA, including COMEX; (3) the calculation and dissemination of NAV and IIV for the Units; and (3) updates with respect to the Arrangement. These changes assisted the Commission in evaluating the Units' susceptibility to manipulation, and in determining that the listing and trading of the Units is consistent with the protection of investors and the public interest. Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,[70] to approve the proposed rule change, as modified by Amendment No. 2, on an accelerated basis.

VI. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[71] that the proposed rule change (SR–NYSEArca–2017–131), as modified by Amendment No. 2, be, and it hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[72]

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2018–00307 Filed 1–10–18; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–82444; File No. SR–CboeBZX–2017–023]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing of a Proposed Rule Change To List and Trade Shares of the iShares Gold Exposure ETF, a Series of the iShares U.S. ETF Trust, Under Exchange Rule 14.11(i), Managed Fund Shares

January 5, 2018.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the

[64] *See id.* at 9.

[65] *See id.* at 10.

[66] *See id.* at 10.

[67] *See id.* at 20.

[68] *See id.* The Commission notes that certain proposals for the listing and trading of exchange-traded products include a representation that the exchange will ''surveil'' for compliance with the continued listing requirements. *See, e.g.,* Securities Exchange Act Release No. 77499 (Apr. 1, 2016), 81 FR 20428, 20432 (Apr. 7, 2016) (SR–BATS–2016–04). In the context of this representation, it is the Commission's view that ''monitor'' and ''surveil'' both mean ongoing oversight of compliance with the continued listing requirements. Therefore, the Commission does not view ''monitor'' as a more or less stringent obligation than ''surveil'' with respect to the continued listing requirements.

[69] 15 U.S.C. 78f(b)(5).

[70] 15 U.S.C. 78s(b)(2).

[71] *Id.*

[72] 17 CFR 200.30–3(a)(12).

''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on December 21, 2017, Cboe BZX Exchange, Inc. (''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II 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 filed a proposal to list and trade shares of the iShares Gold Exposure ETF (the ''Fund''), a series of the iShares U.S. ETF Trust (the ''Trust''), under Exchange Rule 14.11(i) (''Managed Fund Shares''). The shares of the Fund are referred to herein as the ''Shares.''

The text of the proposed rule change is available at the Exchange's website at *www.markets.cboe.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 parts of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to list and trade the Shares under Exchange Rule 14.11(i), which governs the listing and trading of Managed Fund Shares on the Exchange.[3] The Fund is a series of, and the Shares will be offered by, the Trust, which was established as a Delaware statutory trust on June 21, 2011. BlackRock Fund Advisors (the ''Adviser'') will serve as the investment adviser to the Fund. The Trust is registered with the Commission as an open-end management investment company and has filed a registration statement on behalf of the Fund on Form N–1A (''Registration Statement'') with the Commission.[4]

As a result of the instruments that will be indirectly held by the Fund, the Adviser, which is a member of the National Futures Association (''NFA''), will register as a commodity pool operator [5] with respect to the Fund. If the Fund retains any sub-adviser in the future, such sub-adviser will register as a commodity pool operator or commodity trading adviser, if required by Commodity Futures Trading Commission (''CFTC'') regulations. The Fund will be subject to regulation by the CFTC and NFA and applicable disclosure, reporting and recordkeeping rules imposed upon commodity pools.

Exchange Rule 14.11(i)(7) provides that, if the investment adviser to the investment company issuing Managed Fund Shares is affiliated with a broker-dealer, such investment adviser shall erect a ''fire wall'' between the investment adviser and the broker-dealer with respect to access to information concerning the composition and/or changes to such investment company portfolio.[6] In addition, Exchange Rule 14.11(i)(7) further requires that personnel who make decisions on the investment company's portfolio composition must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the applicable investment company portfolio. Exchange Rule 14.11(i)(7) is similar to Exchange Rule 14.11(b)(5)(A)(i) (which applies to index-based funds); however, Exchange Rule 14.11(i)(7) in connection with the establishment of a ''fire wall'' between the investment adviser and the broker-dealer reflects the applicable open-end fund's portfolio, not an underlying benchmark index, as is the case with index-based funds. The Adviser is not a registered broker-dealer, but is affiliated with multiple broker-dealers and has implemented ''fire walls'' with respect to such broker-dealers regarding access to information concerning the composition and/or changes to the Fund's portfolio. In addition, Adviser personnel who make decisions regarding the Fund's portfolio are subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the Fund's portfolio. In the event that (a) the Adviser becomes registered as a broker-dealer or newly affiliated with another broker-dealer, or (b) any new adviser or sub-adviser is a registered broker-dealer or becomes affiliated with a broker-dealer, it will implement a fire wall with respect to its relevant personnel or such broker-dealer affiliate, as applicable, regarding access to information concerning the composition and/or changes to the portfolio, and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding such portfolio.

The Fund intends to qualify each year as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended.

The Exchange submits this proposal in order to allow the Fund to hold listed derivatives (*i.e.,* Listed Gold Derivatives, as defined below) in a manner that does not comply with Exchange Rule 14.11(i)(4)(C)(iv)(b).[7] Otherwise, the

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] The Commission originally approved Exchange Rule 14.11(i) in Securities Exchange Act Release No. 65225 (August 30, 2011), 76 FR 55148 (September 6, 2011) (SR–BATS–2011–018) and subsequently approved generic listing standards for Managed Fund Shares under Exchange Rule 14.11(i)(4)(C) in Securities Exchange Act Release No. 78396 (July 22, 2016), 81 FR 49698 (July 28, 2016) (SR–BATS–2015–100) (''Generic Listing Rules'').

[4] *See* Registration Statement on Form N–1A for the Trust, filed with the Commission on November 1, 2017 (File Nos. 333–179904 and 811–22649). The descriptions of the Fund and the Shares contained herein are based, in part, on information in the Registration Statement. The Commission has issued an order granting certain exemptive relief to the Adviser and open-end management companies advised by the Adviser under the Investment Company Act of 1940 (15 U.S.C. 80a–1). *See* Investment Company Act Release No. 29571 (January 24, 2011) (File No. 812–13601).

[5] As defined in Section 1a(11) of the Commodity Exchange Act.

[6] An investment adviser to an open-end fund is required to be registered under the Investment Advisers Act of 1940 (the ''Advisers Act''). As a result, the Adviser and its related personnel are subject to the provisions of Rule 204A–1 under the Advisers Act relating to codes of ethics. This Rule requires investment advisers to adopt a code of ethics that reflects the fiduciary nature of the relationship to clients as well as compliance with other applicable securities laws. Accordingly, procedures designed to prevent the communication and misuse of non-public information by an investment adviser must be consistent with Rule 204A–1 under the Advisers Act. In addition, Rule 206(4)–7 under the Advisers Act makes it unlawful for an investment adviser to provide investment advice to clients unless such investment adviser has (i) adopted and implemented written policies and procedures reasonably designed to prevent violation, by the investment adviser and its supervised persons, of the Advisers Act and the Commission rules adopted thereunder; (ii) implemented, at a minimum, an annual review regarding the adequacy of the policies and procedures established pursuant to subparagraph (i) above and the effectiveness of their implementation; and (iii) designated an individual (who is a supervised person) responsible for administering the policies and procedures adopted under subparagraph (i) above.

[7] Exchange Rule 14.11(i)(4)(C)(iv)(b) provides that ''the aggregate gross notional value of listed derivatives based on any five or fewer underlying reference assets shall not exceed 65% of the weight

Continued

Fund will comply with all other listing requirements on an initial and continued listing basis under Exchange Rule 14.11(i) for Managed Fund Shares.

iShares Gold Exposure ETF

The Fund will seek to provide exposure, on a total return basis, to the price performance of gold. The Fund will seek to achieve its investment objective by investing primarily in a combination of (i) exchange-traded gold futures contracts (''Gold Futures'') [8] and other listed derivatives [9] that correlate to the investment returns of physical gold (such other listed derivatives together with Gold Futures, ''Listed Gold Derivatives''), based on the notional value of such derivative instruments; (ii) over-the-counter (''OTC'') derivatives that correlate to the investment returns of physical gold (''OTC Gold Derivatives''), based on the notional value of such derivative instruments; and (iii) exchange-traded products (''ETPs'') [10] backed by or linked to physical gold (''Gold ETPs,'' and collectively with Listed Gold Derivatives and OTC Gold Derivatives, the ''Gold Investments''). In seeking total return, the Fund will additionally aim to generate interest income and capital appreciation through a cash management strategy consisting primarily of cash and cash equivalents, including repurchase agreements and money market instruments, investments in government obligations, including U.S. government and agency securities, treasury inflation-protected securities, and sovereign debt obligations of non-U.S. countries, and investment-grade fixed-income securities, including corporate bonds (collectively, ''Fixed Income Investments''). The Fund will be an actively managed exchange-traded fund and will not seek to replicate the performance of a specified index.

The Fund's investment strategy related to the Gold Investments will seek to maximize correlation with the Bloomberg Composite Gold Index (the ''Bloomberg Benchmark''), which is comprised of exchange-traded gold futures contracts and one or more ETPs backed by or linked to physical gold. The Bloomberg Benchmark is designed to track the price performance of gold. Although the Fund generally holds, among other instruments, the same futures contracts under the same futures rolling schedule, and the same ETPs backed by or linked to physical gold, as those included in the Bloomberg Benchmark, the Fund is not obligated to invest in any such futures contracts or ETPs included in, and does not seek to track the performance of, the Bloomberg Benchmark.

The Fund expects to seek to gain exposure to Gold Investments by investing through a wholly-owned subsidiary organized in the Cayman Islands (the ''Subsidiary''). The Subsidiary is advised by the Adviser. Unlike the Fund, the Subsidiary is not an investment company registered under the Investment Company Act of 1940. The Subsidiary has the same investment objective as the Fund. References below to the holdings of the Fund are inclusive of the direct holdings of the Fund as well as the indirect holdings of the Fund through the Subsidiary.

In order to achieve its investment objective, under Normal Market Conditions,[11] the aggregate gross notional value of Listed Gold Derivatives is generally not expected to exceed 75%, but may, in certain circumstances, approach 100%, of the Fund (including gross notional values). As noted above, Exchange Rule 14.11(i)(4)(C)(iv) prevents the Fund from holding listed derivatives based on any five or fewer underlying reference assets in excess of 65% of the weight of the portfolio (including gross notional exposures) and from holding listed derivatives based on any single underlying reference asset in excess of 30% of the weight of its portfolio (including gross notional exposures). The Exchange is proposing to allow the Fund to hold up to 100% of the weight of its portfolio (including gross notional exposures) in listed derivatives based on a single underlying reference asset through its investment in Listed Gold Derivatives. Allowing the Fund to hold a greater portion of its portfolio in Listed Gold Derivatives would mitigate the Fund's dependency on holding OTC derivative instruments, which would reduce the Fund's operational burden by allowing the Fund to primarily use listed futures contracts and other listed derivatives to achieve its investment objective and would also reduce counter-party risk associated with holding OTC instruments.

Under Normal Market Conditions, the Fund generally will primarily hold Listed Gold Derivatives, including Gold Futures, OTC Gold Derivatives,[12] Gold ETPs,[13] and/or Fixed Income Investments.[14] The Exchange represents that, except for the 65% and 30% limitations in Exchange Rule 14.11(i)(4)(C)(iv)(b), the Fund's proposed investments will satisfy, on an initial and continued listing basis, all of the Generic Listing Rules and all other applicable requirements for Managed Fund Shares under Exchange Rule 14.11(i). The Trust is required to comply with Rule 10A–3 under the Act for the initial and continued listing of the Shares of the Fund. In addition, the Exchange represents that the Shares of the Fund will meet and be subject to all other requirements of the Generic Listing Rules and other applicable continued listing requirements for Managed Fund Shares under Exchange Rule 14.11(i), including those requirements regarding the Disclosed Portfolio (as defined in the Exchange rules) and the requirement that the Disclosed Portfolio and the net asset value (''NAV'') will be made available to all market participants at the same time,[15] intraday indicative value,[16] suspension of trading or removal,[17] trading halts,[18] disclosure,[19] and firewalls.[20] Further, at least 100,000 Shares will be outstanding upon the commencement of trading.[21] Moreover, at least 90% of the weight of the Fund in Listed Gold Derivatives will trade on markets that are a member of

of the portfolio (including gross notional exposures), and the aggregate gross notional value of listed derivatives based on any single underlying reference asset shall not exceed 30% of the weight of the portfolio (including gross notional exposures).''

[8] Gold Futures held by the Fund will primarily be front month COMEX gold futures contracts (GC).

[9] For purposes of this proposal, the term ''listed derivatives'' will be consistent with its use in Exchange Rule 14.11(i)(4)(C)(iv), which provides that listed derivatives include listed futures, options, and swaps on commodities, currencies and financial instruments (*e.g.,* stocks, fixed income, interest rates, and volatility) or a basket or index of any of the foregoing.

[10] As defined in Exchange Rule 11.8(e)(1)(A), ETP means any security listed pursuant to Exchange Rule 14.11.

[11] As defined in Exchange Rule 14.11(i)(3)(E), the term ''Normal Market Conditions'' includes, but is not limited to, the absence of trading halts in the applicable financial markets generally; operational issues causing dissemination of inaccurate market information or system failures; or force majeure type events such as natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption, or any similar intervening circumstance.

[12] The aggregate gross notional value of the Fund's holdings in OTC Gold Derivatives will not exceed 20% of the weight of the portfolio (including gross notional exposures) in compliance with Exchange Rule 14.11(i)(4)(C)(v).

[13] The Fund's holdings in Gold ETPs will comply with the requirements of Exchange Rule 14.11(i)(4)(C)(i)(a).

[14] The Fund will hold Fixed Income Investments (which includes cash and cash equivalents) in order to collateralize its derivatives positions and such holdings will comply with Exchange Rules 14.11(i)(4)(C)(ii) and (iii).

[15] *See* Exchange Rules 14.11(i)(4)(A)(ii) and 14.11(i)(4)(B)(ii).

[16] *See* Exchange Rule 14.11(i)(4)(B)(i).

[17] *See* Exchange Rule 14.11(i)(4)(B)(iii).

[18] *See* Exchange Rule 14.11(i)(4)(B)(iv).

[19] *See* Exchange Rule 14.11(i)(6).

[20] *See* Exchange Rule 14.11(i)(7).

[21] *See* Exchange Rule 14.11(i)(4)(A)(i).

Intermarket Surveillance Group (''ISG'') or affiliated with a member of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.[22] All statements and representations made in this filing regarding the description of the portfolio or reference assets, limitations on portfolio holdings or reference assets, dissemination and availability of reference assets and intraday indicative values, and the applicability of Exchange listing rules specified in this filing shall constitute continued listing requirements for the Fund. The Trust, on behalf of the Fund, has represented to the Exchange that it will advise the Exchange of any failure by the Fund or the Shares to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will surveil for compliance with the continued listing requirements. If the Fund or the Shares are not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under Exchange Rule 14.12.

2. Statutory Basis

The Exchange believes that the proposal is consistent with Section 6(b) of the Act[23] in general and Section 6(b)(5) of the Act[24] in particular because the Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest given that the Shares will meet each of the initial and continued listing criteria in Exchange Rule 14.11(i) with the exception of Exchange Rule 14.11(i)(4)(C)(iv)(b), which requires that the aggregate gross notional value of listed derivatives based on any five or fewer underlying reference assets shall not exceed 65% of the weight of the portfolio (including gross notional exposures), and the aggregate gross notional value of listed derivatives based on any single underlying reference asset shall not exceed 30% of the weight of the portfolio (including gross notional exposures). The Exchange believes that the liquidity in the Listed Gold Derivatives markets mitigates the concerns that Exchange Rule 14.11(i)(4)(C)(iv)(b) is intended to address and that such liquidity would prevent the Shares from being susceptible to manipulation.[25] Further, allowing the Fund to hold a greater portion of its portfolio in Listed Gold Derivatives would mitigate the Fund's dependency on holding OTC instruments, which would reduce the Fund's operational burden by allowing the Fund to primarily use listed futures contracts and other listed derivatives to achieve its investment objective and would also reduce counter-party risk associated with holding OTC instruments. The Exchange believes that its surveillance procedures are adequate to properly monitor the trading of the Shares on the Exchange during all trading sessions and to deter and detect violations of Exchange rules and the applicable federal securities laws. At least 90% of the weight of the Fund in Listed Gold Derivatives will trade on markets that are a member of ISG or affiliated with a member of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. The Exchange may obtain information regarding trading in the Shares and at least 90% of the weight of the Fund invested in Listed Gold Derivatives via the ISG from other exchanges who are members or affiliates of the ISG or with which the Exchange has entered into a comprehensive surveillance sharing agreement.[26] The Exchange further notes that the Fund will meet and be subject to all other requirements of the Generic Listing Rules and other applicable continued listing requirements for Managed Fund Shares under Exchange Rule 14.11(i), including those requirements regarding the Disclosed Portfolio and the requirement that the Disclosed Portfolio and the NAV will be made available to all market participants at the same time, intraday indicative value, suspension of trading or removal, trading halts, disclosure, and firewalls. Further, at least 100,000 Shares will be outstanding upon the commencement of trading.

For the above reasons, the Exchange believes that the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act.

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 purpose of the Act. The Exchange notes that the proposed rule change rather will facilitate the listing and trading of an additional actively-managed exchange-traded fund that will enhance competition among both market participants and listing venues, to the benefit of investors and the marketplace.

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

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

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will: (a) By order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposal 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 No. SR–CboeBZX–2017–023 on the subject line.

Paper Comments

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

All submissions should refer to File No. SR–CboeBZX–2017–023. This file number should be included on the

[22] For a list of the current members and affiliate members of ISG, *see www.isgportal.com.* The Exchange notes that not all components of the Disclosed Portfolio for the Fund may trade on markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.

[23] 15 U.S.C. 78f.

[24] 15 U.S.C. 78f(b)(5).

[25] In September and October of 2017, the average daily COMEX gold futures contract volume was 340,000 and 292,000 for front month contracts, respectively. This equates to an average daily traded notional value of approximately $37.5 billion and $44.9 billion, respectively.

[26] *See* note 22, *supra.*

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 website (*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 website 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File No. SR–CboeBZX–2017–023 and should be submitted on or before February 1, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[27]

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2018–00303 Filed 1–10–18; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–82447; File No. SR–NYSEAMER–2017–40]

Self-Regulatory Organizations; NYSE American LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule 7.31E Relating to Mid-Point Liquidity Orders and the MTS Modifier and Rule 7.36E To Add a Definition of ''Aggressing Order''

January 5, 2018.

Pursuant to Section 19(b)(1)[1] of the Securities Exchange Act of 1934 (''Act'')[2] and Rule 19b–4 thereunder,[3] notice is hereby given that on December 22, 2017, NYSE American LLC (''Exchange'' or ''NYSE American'') 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 self-regulatory organization. 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 Rule 7.31E relating to Mid-Point Liquidity Orders and the MTS Modifier and Rule 7.36E to add a definition of ''Aggressing Order.'' The proposed rule change is available on the Exchange's website at *www.nyse.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 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 Rule 7.31E (Orders and Modifiers) relating to Mid-Point Liquidity (''MPL'') Orders and the MTS Modifier and Rule 7.36E (Order Ranking and Display) to add a definition of ''Aggressing Order.'' For MPL Orders, the Exchange proposes to amend the price at which a marketable MPL Order would trade when there are resting orders priced better than the midpoint. The Exchange also proposes to amend how resting orders with an MTS Modifier would trade in specified circumstances.

Background

As provided for in current Rule 7.31E(d)(3)(C), on arrival, an MPL Order to buy (sell) that is eligible to trade will trade with resting orders to sell (buy) with a working price at or below (above) the midpoint of the PBBO (*i.e.,* priced better than the midpoint of the PBBO). The rule further provides that resting MPL Orders to buy (sell) will trade at the midpoint of the PBBO against all incoming orders to sell (buy) priced at or below (above) the midpoint of the PBBO (*i.e.,* priced better than the midpoint of the PBBO).

Current Rule 7.31E(i)(3) describes the MTS Modifier, including how a resting order with an MTS Modifier will trade. Current Rule 7.31E(i)(3)(E)(i) provides that if a sell (buy) order does not meet the MTS of the resting order to buy (sell) with an MTS Modifier, that sell (buy) order will not trade with and may trade through such order with an MTS Modifier. Current Rule 7.31E(i)(3)(E)(ii) provides that if a resting sell (buy) order did not meet the MTS of a same-priced resting order to buy (sell) with an MTS Modifier, a subsequently arriving sell (buy) order that meets the MTS will trade ahead of the resting sell (buy) order. Finally, current Rule 7.31E(i)(3)(E)(iii) provides that a resting order to buy (sell) with an MTS Modifier will not be eligible to trade if sell (buy) order(s) ranked Priority 2—Display Orders are displayed on the Exchange Book at a price lower (higher) than the working price of such MTS Order. Similarly, Rule 7.46E(f)(5)(I) (Tick Size Pilot Plan) provides that for Pilot Securities in Test Group Three, a resting order to buy (sell) with an MTS Modifier will not be eligible to trade if sell (buy) order(s) ranked Priority 2—Display Orders are displayed on the Exchange Book at a price equal to or lower (higher) than the working price of such MTS Order.

Proposed Definition of ''Aggressing Order''

The Exchange proposes to amend Rule 7.36E to add a definition that would be used for purposes of Rule 7E. Proposed Rule 7.36E(a)(5) would define the term ''Aggressing Order'' to mean a buy (sell) order that is or becomes marketable against sell (buy) interest on the Exchange Book.[4] This term would therefore refer to orders that are marketable against other orders on the Exchange Book, such as incoming orders and orders that have returned unexecuted after routing.

This term would also be applicable to resting orders that become marketable due to one or more events. For the most part, resting orders will have already traded with contra-side orders against

[27] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 15 U.S.C. 78a.

[3] 17 CFR 240.19b–4.

[4] The term ''marketable'' is defined in Rule 1.1E(u) to mean for a Limit Order, an order than can be immediately executed or routed.

which they are marketable. However, there are circumstances when a resting order may become marketable, such as orders that become eligible to trade when a PBBO unlocks or uncrosses (*e.g.,* MPL and Pegged Orders) or orders that have a trading restriction at specified prices (*e.g.,* as discussed in greater detail below, orders with an MTS Modifier). To maximize the potential for orders to trade, the Exchange continually evaluates whether resting orders may become marketable. Events that could trigger a resting order to become marketable include updates to the working price of such order, updates to the PBBO or NBBO, changes to other orders on the Exchange Book, or processing of inbound messages (*e.g.,* an update to Price Bands under the Regulation NMS Plan to Address Extraordinary Market Volatility). To address such circumstances, the Exchange proposes to include in proposed Rule 7.36E(a)(5) that a resting order may become an Aggressing Order if its working price changes, if the PBBO or NBBO is updated, because of changes to other orders on the Exchange Book, or when processing inbound messages.

The order that becomes the Aggressing Order is the liquidity-taking order. Generally, if resting orders on both sides are determined to be an Aggressing Order, *e.g.,* a locked PBBO becomes unlocked and as a result, MPL Orders are repriced, the later-arriving order will be the liquidity-taking order.[5] However, if the evaluation results in only one side becoming an Aggressing Order, *e.g.,* an order with an MTS Modifier becomes eligible to trade and the contra-side order(s) have no working price changes, the order with the MTS Modifier would become the liquidity-taking Aggressing Order. As described below, the Exchange proposes to use the term ''Aggressing Order'' in the rule text relating to the MTS Modifier. Because an Aggressing Order becomes a liquidity taker, such term could be applicable to other circumstances. For example, an order with a Non-Display Remove Modifier [sic] that trades as a liquidity taker would also be considered an Aggressing Order. However, at this time, the Exchange does not propose to amend its rules to use the term ''Aggressing Order'' because the rule already specifies which order is the liquidity taker.

Proposed Amendments Relating to MPL Orders

The Exchange proposes to amend the first sentence of current Rule 7.31E(d)(3)(C) to make this text applicable to any marketable MPL Order, and not just an arriving MPL Order. To effect this change, the Exchange proposes to use the term ''Aggressing Order'' and replace the phrase ''[o]n arrival, an MPL Order to buy (sell) that is eligible to trade'' with the phrase, ''[a]n Aggressing MPL Order to buy (sell).''

The Exchange also proposes to amend the first sentence of current Rule 7.31E(d)(3)(C) to describe at what price an Aggressing MPL Order would trade with contra-side resting orders that are priced better than the midpoint. The rule currently provides that an arriving MPL Order to buy (sell) would trade with resting orders to sell (buy) with a working price at or below (above) the midpoint of the PBBO. The Exchange proposes to specify that when an Aggressing MPL Order trades with resting orders priced better than the midpoint, it will trade at the working price of the resting orders, which is current functionality. For example, if the PBB is 10.10 and the midpoint is 10.13, and there are non-displayed sell orders of 100 shares with working prices of 10.11 and 10.12, an Aggressing MPL Order to buy with a limit of 10.13 for 200 shares would trade with such non-displayed sell orders at 10.11 and 10.12, respectively. The Exchange believes that this proposed amendment would promote transparency in Exchange rules regarding at what price an Aggressing MPL Order would trade.

By using the term ''Aggressing Order,'' this rule would be applicable to a resting MPL Order that becomes marketable, such as after a PBBO unlocks or uncrosses. In the above example, if the MPL Order to buy is ineligible to trade because of a crossed PBBO, and while the PBBO is crossed, the Exchange receives the two non-displayed sell orders, when the PBBO uncrosses and the new midpoint is 10.13, the resting MPL Order would become an Aggressing Order and would trade with the non-displayed sell orders at 10.11 and 10.12, respectively.

The Exchange also proposes to amend the second sentence of Rule 7.31E(d)(3)(C) to replace the term ''incoming orders'' with the term ''Aggressing Orders.'' This proposed rule change would provide greater specificity that any contra-side order that is an Aggressing Order, as defined in proposed Rule 7.36E(a)(5), would trade with a resting MPL Order at the midpoint of the PBBO.

Proposed Amendments Relating to the MTS Modifier

The Exchange proposes to amend Rules 7.31E(i)(3)(C) and (E) to specify circumstances when a resting order with an MTS Modifier would not be eligible to trade.

Current Rule 7.31E(i)(3)(C) provides that an order with an MTS Modifier that is designated Day and cannot be satisfied on arrival would not trade and would be ranked in the Exchange Book. The Exchange proposes to describe new functionality relating to when an order with an MTS Modifier that is designated Day would not be eligible to trade. In short, if a later-arriving contra-side order can meet the MTS of a resting order with an MTS Modifier, the two orders would trade unless the execution would be inconsistent with either intra-market price priority or would result in a non-displayed order trading ahead of a same-side, same-priced displayed order.[6] Therefore, as proposed, the Exchange would not permit an order with an MTS Modifier that crosses other displayed or non-displayed orders on the Exchange Book to trade at prices that are worse than the price of such contra-side orders. As further proposed, the Exchange would not permit a resting order with an MTS Modifier to trade at a price equal to a displayed contra-side order.[7]

To reflect these changes, the second sentence of Rule 7.31E(i)(3)(C) would provide that when a buy (sell) order with an MTS Modifier that is designated Day is ranked in the Exchange Book, it would not be eligible to trade:

(i) At a price equal to or above (below) any sell (buy) orders that are displayed and that have a working price equal to or below (above) the working price of such order with an MTS Modifier, or

(ii) at a price above (below) any sell (buy) orders that are not displayed and that have a working price below (above) the working price of such order with an MTS Modifier.

For example,

- if the PBBO is 10.10 x 10.16, on the Exchange Book there is a sell order (''Order A'') ranked Priority 3—Non-Display Orders for 50 shares at 10.12 and a sell order (''Order B'') ranked Priority 2—Display Orders for 25 shares at 10.11, and the Exchange receives a buy MPL Order (''Order C'') with an MTS Modifier for 100 shares with a 10.16 limit, because the MTS cannot be met, Order C will not trade and will be ranked in the Exchange Book at the midpoint of 10.13. At this point, the Exchange would have a non-displayed buy order crossing both non-displayed

[5] *See, e.g.,* Rule 7.31–E(d)(3)(B).

[6] Rule 7.36E(c) provides that the Exchange ranks all non-marketable orders on the Exchange Book according to price—time priority.

[7] A displayed odd-lot order that is not included in the calculation of the PBBO could be at the same price as an MPL Order.

and displayed sell orders on the Exchange Book. If the Exchange then receives a non-displayed sell order (''Order D'') for 100 shares at 10.11, even though Order D would be marketable against Order C, it would not trade because a trade at 10.13 would be above the price of resting sell orders.[8] Order D would be added to the Exchange Book at 10.11.

• If next, the Exchange receives a buy order (''Order E'') to buy 25 shares at 10.11, it would trade with Order B. As discussed above, this execution would trigger the Exchange to evaluate whether Order C becomes marketable against contra-side orders.[9] In this scenario, because Order B has now executed, Order C is no longer restricted from trading at 10.11. Because Order C's restriction has been lifted and Order D does not have a working price change, Order C would become an Aggressing Order and trade as the liquidity taker with Order D at 10.11.

Because proposed Rule 7.31E(i)(3)(C)(i) would be applicable to all securities that trade on the exchange, including Pilot Securities in the Tick Pilot Plan, the Exchange proposes to delete Rule 7.46E(f)(5)(I) as duplicative of the proposed new rule text.

The Exchange also proposes to amend Rules 7.31E(i)(3)(E)(i), (ii), and (iii) relating to the behavior of resting orders with an MTS Modifier.[10] The Exchange proposes a non-substantive change to Rule 7.31E(i)(3)(E) to change the term ''order(s)'' to ''orders,'' which the Exchange believes is a more technically accurate way to describe that a resting order with an MTS Modifier will be evaluated against individual orders.

First, the Exchange proposes to amend Rule 7.31E(i)(3)(E)(i) to use the term ''Aggressing Order.'' Use of this proposed new definition would not change the functionality associated with this rule. Accordingly, as proposed, the rule would provide that if *an Aggressing Order to* sell (buy) does not meet the MTS of the resting order to buy (sell) with an MTS Modifier, that *Aggressing Order* will not trade with and may trade through such order with an MTS Modifier (proposed new text in italics). The Exchange believes that use of the term ''Aggressing Order'' in the context of this rule would promote transparency of which order is trading with the resting order with an MTS Modifier.

Second, the Exchange proposes to amend Rule 7.31E(i)(3)(E)(ii) to provide that if a resting sell (buy) *non-displayed* order did not meet the MTS of a same-priced resting order to buy (sell) with an MTS Modifier, a subsequently arriving sell (buy) order that meets the MTS would trade ahead of *such* resting *non-displayed* sell (buy) order *at that price* (proposed new text in italics), *e.g.,* at the internal locking price. The Exchange proposes to amend this rule to provide that the subsequently arriving order could trade ahead of a resting non-displayed order at that price. As described above, the proposed amendment to Rule 7.31E(i)(3)(C)(i) would address circumstances when an order with an MTS Modifier is locked by a displayed order. In such case, the subsequently arriving order would not trade with the order with an MTS Modifier.

Finally, the Exchange proposes to delete current Rule 7.31E(i)(3)(iii) as superseded by proposed Rule 7.31E(i)(3)(C)(i) and (ii) and the amendments to Rule 7.31E(i)(3)(E)(i) and (ii).

Because of the technology changes associated with these proposed rule change, the Exchange will announce the implementation date of this proposed rule change by Trader Update. The Exchange anticipates that the implementation date will be in the first quarter of 2018.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the ''Act''),[11] in general, and furthers the objectives of Section 6(b)(5),[12] in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to, and perfect the mechanism of, a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes that the proposed definition of ''Aggressing Order'' in Rule 7.36E would remove impediments to, and perfect the mechanism of, a free and open market and a national market system and, in general, protect investors and the public interest because it would provide for a definition in Exchange rules that describes orders that are or become marketable. The Exchange believes that the proposed definition would promote transparency in Exchange rules by providing detail regarding circumstances when a resting order may become marketable, and thus would be an Aggressing Order. The Exchange further believes that use of such definition would promote clarity in Exchange rules, particularly in the context of the amendments to MPL Orders and orders with an MTS Modifier.

The Exchange believes that the proposed amendments to Rule 7.31E(d)(3)(C) to use the term ''Aggressing Order'' and to describe the prices at which an Aggressing MPL Order would trade would remove impediments to, and perfect the mechanism of, a free and open market and a national market system and, in general, protect investors and the public interest because it would promote clarity and transparency in Exchange rules regarding the behavior of marketable MPL Orders. In particular, the rule would provide greater specificity regarding how a resting MPL Order that becomes an Aggressing Order would trade.

Finally, the Exchange believes that the proposed amendments relating to when a resting order with an MTS Modifier would be eligible to trade would remove impediments to, and perfect the mechanism of, a free and open market and a national market system and, in general, protect investors and the public interest, because the proposed rule change would ensure that there would not be an execution of a resting order with an MTS Modifier that either would be inconsistent with intra-market price priority or would result in a non-displayed order trading ahead of a same-side, same-priced displayed order. This proposed rule change would therefore promote just and equitable principles of trade by ensuring that displayed interest does not get traded through by a non-displayed order.

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. The Exchange believes that the proposed rule change is not designed to address any competitive issues, but rather to add further clarity to Exchange rules by defining the term ''Aggressing Order'' and using that term in connection with MPL Orders. In addition, the rule is

[8] Pursuant to Rule 7.31E(d)(3)(C), an Aggressing Order will trade with a resting MPL Order at the midpoint of the PBBO.

[9] *See* discussion *infra* regarding the second sentence to proposed Rule 7.36E(a)(5).

[10] A resting order with an MTS Modifier that becomes an Aggressing Order would trade consistent with Rule 7.31E(i)(3)(E) and therefore would trade with individual orders that each meet the MTS.

[11] 15 U.S.C. 78f(b).

[12] 15 U.S.C. 78f(b)(5).

designed to ensure that resting orders with an MTS Modifier would not trade through displayed orders or violate intra-market priority.

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

No written comments were solicited or received with respect to the proposed rule change.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act [13] and Rule 19b–4(f)(6) thereunder.[14] Because the 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 prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b–4(f)(6)(iii) thereunder.

A proposed rule change filed under Rule 19b–4(f)(6) [15] normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b4(f)(6)(iii),[16] the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest.

At any time within 60 days of the filing of such 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. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B) [17] of the Act to determine whether the proposed rule change should be approved or disapproved.

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–NYSEAMER–2017–40 on the subject line.

Paper Comments

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

All submissions should refer to File Number SR–NYSEAMER–2017–40. 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 website (*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 website 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–NYSEAMER–2017–40 and should be submitted on or before February 1, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[18]

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2018–00306 Filed 1–10–18; 8:45 am]

BILLING CODE 8011–01–P

[13] 15 U.S.C. 78s(b)(3)(A)(iii).

[14] 17 CFR 240.19b–4(f)(6).

[15] 17 CFR 240.19b–4(f)(6).

[16] 17 CFR 240.19b–4(f)(6)(iii).

[17] 15 U.S.C. 78s(b)(2)(B).

[18] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–82445; File No. SR–Phlx–2017–99]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Order Granting Accelerated Approval of a Proposed Rule Change To Amend Rule 1059 To Make Permanent a Program That Allows Cabinet Trade Transactions To Take Place at a Price Below $1 Per Option Contract

January 5, 2018.

I. Introduction

On November 29, 2017, Nasdaq PHLX LLC (the ''Exchange'' or ''Phlx'') filed with the Securities and Exchange Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'') [1] and Rule 19b–4 thereunder,[2] a proposed rule change amending the Exchange's rules to make permanent a program that allows transactions to take place in open outcry trading at prices of at least $0 but less than $1 per option contract (''sub-dollar cabinet trades''). The proposed rule change was published for comment in the **Federal Register** on December 14, 2017.[3] The Commission received no comment letters on the proposed rule change. This order approves the proposed rule change on an accelerated basis.

II. Description of the Proposed Rule Change

Prior to 2010, Phlx Rule 1059 (Accommodation Transactions) allowed cabinet trade transactions at a price of $1 per option contract to occur in open outcry trading for certain options classes.[4] In 2010, the Exchange amended Phlx Rule 1059 on a pilot basis to allow sub-dollar cabinet trades to take place at prices of at least $0 but less than $1 per option contract.[5] The Exchange now proposes to amend Phlx Rule 1059 to make permanent its sub-dollar cabinet trade pilot program, which currently is scheduled to expire on January 5, 2018.[6]

The Exchange permits sub-dollar cabinet trade transactions to be traded

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 82245 (Dec. 8, 2017), 82 FR 58825 (Dec. 14, 2017) (SR–Phlx–2017–99) (''Notice'').

[4] *See* Phlx Rule 1059.

[5] *See* Securities Exchange Act Release No. 63626 (Dec. 30, 2010), 76 FR 812 (Jan. 6, 2011) (SR–Phlx–2010–185).

[6] *See* Commentary .02 to Phlx Rule 1059. *See also* Securities Exchange Act Release No. 79782 (January 12, 2017), 82 FR 6667 (January 19, 2017) (SR–Phlx–2017–01).

pursuant to the same procedures applicable to $1 cabinet trades, except that for sub-dollar cabinet trades (i) bids and offers for opening transactions are permitted only to accommodate closing transactions, and (ii) transactions in option classes participating in the Penny Pilot Program are permitted.[7] The Exchange believes that ''allowing a price of at least $0 but less than $1 better accommodates the closing of options positions in series that are worthless or not actively traded, particularly when there has been a significant move in the price of the underlying security, resulting in a large number of series being out-of-the-money.'' [8]

III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act [9] and the rules and regulations thereunder applicable to a national securities exchange.[10] In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,[11] which requires, among other things, that the rules of a national securities exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

In the Notice, the Exchange explains that it initially adopted the sub-dollar cabinet trade rule on a pilot basis to ''evaluate the efficacy of the change and to address any operational issues that might arise in processing [c]abinet trades.'' [12] The Exchange represents that at the time it adopted the pilot, its system permitted reporting cabinet trades at prices as small as $0.0001, as it does today.[13] Based on its experience with these types of trades, the Exchange represents that its system ''allows [c]abinet trades to be processed in a manner similar to how all other trades are processed by the [E]xchange.'' [14]

In support of making the pilot program permanent, the Exchange represents that ''there are no operational issues in processing and clearing [c]abinet [t]rades in penny and sub-penny increments.'' [15] The Exchange also represents that ''members and member organizations have not raised any concerns with the processing of [c]abinet trades.'' [16] Finally, the Exchange represents that it is ''not aware of the Options Clearing Corporation (''OCC'') having operational issues with processing [c]abinet trades submitted by the Exchange.'' [17]

Based on the representations of the Exchange, the Commission believes that permanent approval of the sub-dollar cabinet trade pilot is consistent with the Act. In particular, the Commission notes that the Exchange's system allows it to process cabinet trades in the normal course. Further, the Exchange has not observed any issues or concerns with sub-dollar cabinet trades at the Exchange level, with and among its members, or in processing the trades through OCC. Accordingly, the Exchange's rule appears reasonably designed to remove impediments, prevent fraudulent and manipulative acts and practices, and foster cooperation and coordination with persons engaged in facilitating transactions in securities. Further, permanent approval will continue to provide investors with choice when considering a cabinet trade, including the ability to price such trades below $1 per contract.

IV. Accelerated Approval of Proposed Rule Changes

The Commission finds good cause, pursuant to Section 19(b)(2) of the Act,[18] to approve the proposed rule changes prior to the 30th day after the date of publication of the Notice in the **Federal Register**.[19] The Commission believes that the proposed rule change does not raise novel regulatory issues. The Commission notes that earlier this year it approved similar proposed rule changes from NYSE Arca, Inc.[20] and NYSE American LLC (formerly known as NYSE MKT LLC) [21] making permanent sub-dollar cabinet trade pilot programs. The Exchange has represented that its system is able to process cabinet trades similar to the processing of its other trades, it has not experienced any issues processing cabinet trades at the Exchange or through OCC, and its members have not expressed concerns. In addition, the Commission did not receive any comments on the proposed changes. Accordingly, the Commission finds that good cause exists to approve the proposed rule changes on an accelerated basis.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[22] that the proposed rule change (SR–Phlx–2017–99) be, and hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[23]

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2018–00304 Filed 1–10–18; 8:45 am]

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[7] *See* Commentary .02 to Phlx Rule 1059.

[8] Notice, *supra* note 3, at 58826. The Exchange notes that this is especially true for transactions in options classes in the Penny Pilot Program, for which cabinet trades are not otherwise permitted. *See id.*

[9] 15 U.S.C. 78f.

[10] In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[11] 15 U.S.C. 78f(b)(5).

[12] *See* Notice, *supra* note 3, at 58826.

[13] *See id.*

[14] *Id. See also id.* at 58826 (noting that ''in 2016, there were a total of 442 [c]abinet [t]rades'' on the Exchange ''comprising 244,734 contracts,'' and ''[e]ach contract was executed at a price of $0.01.'').

[15] *See* Notice, *supra* note 3, at 58826.

[16] *Id.*

[17] *Id.*

[18] 15 U.S.C. 78s(b)(2).

[19] As noted above, the Notice was published for comment in the **Federal Register** on December 14, 2017 and the comment period closed on December 29, 2017. Accordingly, the 30th day after publication of the Notice is January 13, 2018.

[20] *See* Securities Exchange Act Release No. 80615 (May 5, 2017), 82 FR 22036 (May 11, 2017) (SR–NYSEArca–2017–24).

[21] *See* Securities Exchange Act Release No. 80616 (May 5, 2017), 82 FR 22033 (May 11, 2017) (SR–NYSEMKT–2017–13).

[22] 15 U.S.C. 78s(b)(2).

[23] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–82446; File No. SR–ISE–2017–112]

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Certain Non-Transaction Fees in the Exchange's Schedule of Fees

January 5, 2018.

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 22, 2017, Nasdaq ISE, LLC (''ISE'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

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 certain non-transaction fees in the Exchange's Schedule of Fees.

The text of the proposed rule change is available on the Exchange's website at *http://ise.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 amend certain non-transaction fees in the Exchange's Schedule of Fees. ISE currently charges its members various non-transaction fees to trade on the Exchange and use its facilities, including a monthly access fee and an annual regulatory fee. Such fees are designed to help defray the technical, regulatory, and administrative costs associated with a member's use of the Exchange. Specifically, the Exchange currently assesses a monthly access fee to all its members that is $500 per month per Electronic Access Member (''EAM'') membership, $4,000 per month per Primary Market Maker (''PMM'') membership, and $2,000 per month per Competitive Market Maker (''CMM'') membership.[3] Payment of the monthly access fee entitles members to trade on ISE as a PMM, CMM, or EAM based on their membership type. In addition, Exchange currently charges a tiered annual regulatory fee to all its members that is: (i) For PMMs, a fee of $7,500 for the first PMM membership, $1,500 for each additional PMM membership, and $1,000 for each CMM membership; (ii) for CMMs, (who are not also PMMs), a fee of $5,000 per membership for the first CMM membership[4] and $1,000 for each additional CMM membership; and (iii) for EAMs, a fee of $5,000 for each EAM membership.[5]

In order to keep pace with rising overhead, the Exchange now proposes to increase the monthly access fee for Market Makers (*i.e.,* PMMs and CMMs) from $4,000 to $5,000 per PMM membership and from $2,000 to $2,500 per CMM membership. The monthly access fee of $500 per membership for EAMs will remain unchanged under this proposal. In connection with the proposed increase in the monthly access fees for Market Makers, the Exchange also proposes to eliminate the annual regulatory fee for all its members.

As noted above, members are required to pay a variety of non-transaction fees, including the monthly access fee and annual regulatory fee, to be able to trade on the Exchange and use its facilities. By increasing the monthly access fee and eliminating the annual regulatory fee in the manner discussed above, the Exchange is essentially consolidating these fees rather than having members pay two separate charges for their use of the Exchange. With the proposed changes, Market Makers may be assessed at a higher rate overall to use the Exchange, while EAMs may be assessed at a lower rate because the Exchange is increasing the monthly access fee for Market Makers only, but eliminating the annual regulatory fee for all members.[6] The Exchange will absorb the cost of the eliminated annual regulatory fee for EAMs going forward.

The access fee and regulatory fee were adopted in 2000 to help recover the costs of operating a trading market,[7] including the technical, regulatory, and administrative costs associated with a member's use of the Exchange. The monthly access fee amounts have not changed since this fee was adopted, while the annual regulatory fee was last amended in 2006.[8] Accordingly, the Exchange believes that the fee changes proposed herein should be a more accurate reflection of the costs associated with a member's use of the Exchange today.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[9] in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,[10] in particular, in that it provides for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that the proposed increase in the monthly Market Maker access fees to $5,000 per PMM membership and $2,500 per CMM membership is reasonable and equitable. The proposed access fees will help the Exchange keep pace with rising overhead, and are within the range of similar fees charged by other options exchanges, including for example, C2 Options Exchange (''C2''), which charges its market makers a monthly access fee of $5,000 per permit.[11]

Furthermore, while the Exchange is increasing the monthly access fees for Market Makers, the Exchange believes that this is partially offset by the elimination of the annual regulatory fees for all members. As noted above, members are required to pay a variety of non-transaction fees, including the monthly access fee and annual regulatory fee, to be able to trade on the Exchange and use its facilities. By consolidating the annual regulatory fee with the access fee in the manner discussed above rather than having members pay two separate charges for their use of the Exchange, ISE is simplifying the Schedule of Fees to the benefit of its members. The Exchange also believes that the proposed changes are reasonable and equitable because the

[3] *See* ISE Schedule of Fees, Section VI.A Access Fees. In the event where a single member firm has multiple ISE memberships, the monthly access fee is charged for each membership. For example, if a single member firm is both an EAM and a CMM, or owns multiple CMM memberships, the firm is subject to the monthly access fee for each of those memberships.

[4] This fee will only be charged for the first CMM membership within each group of affiliated companies. Affiliated CMMs will pay the incremental regulatory fee charged for additional CMM memberships.

[5] *See* ISE Schedule of Fees, Section VII.D Regulatory Fee.

[6] For example, a PMM currently pays a total of $55,500 per year in access and regulatory fees ($48,000 of annual access fees plus the $7,500 annual regulatory fee) for one PMM membership while an EAM pays a total of $11,000 per year ($6,000 of annual access fees plus the $5,000 annual regulatory fee) for one EAM membership. As proposed, the PMM would pay a total of $60,000 per year in access fees for one PMM membership while the EAM would pay a total of $6,000 per year for one EAM membership.

[7] *See* Securities Exchange Act Release No. 42370 (April 28, 2000), 65 FR 26256 (May 5, 2000) (SR–ISE–00–02).

[8] *See* Securities Exchange Act Release No. 53634 (April 12, 2006), 71 FR 20147 (April19, 2006) (SR–ISE–2006–16).

[9] 15 U.S.C. 78f(b).

[10] 15 U.S.C. 78f(b)(4) and (5).

[11] *See* C2 Fee Schedule, Section 3 Access Fees.

fees should be a more accurate representation of the costs associated with a member's use of the Exchange today for the reasons discussed above.

As noted above, some members will be impacted more than others with this proposal because the Exchange is increasing the monthly access fee for Market Makers only, but eliminating the annual regulatory fee for all members. The Exchange does not believe that this is unfairly discriminatory because the resources dedicated to the supporting and regulating a member vary on the type of membership. Generally, PMMs are subject to greater obligations than CMMs are and CMMs are subject to greater obligations than EAMs are. Furthermore, the technical, regulatory, and administrative costs associated with an EAM's use of the Exchange are not as high as those associated with Market Makers.

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 not necessary or appropriate in furtherance of the purposes of the Act. As discussed above, the proposed fee changes are designed to more accurately reflect the technical, regulatory, and administrative costs associated with a member's use of the Exchange, and the fees remain competitive with similar fees offered on other options exchanges. The Exchange operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees to remain competitive. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

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

No written comments were either solicited or received.

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)(ii) of the Act,[12] and Rule 19b–4(f)(2)[13] 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: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

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–ISE–2017–112 on the subject line.*

Paper Comments

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

All submissions should refer to File Number *SR–ISE–2017–112.* 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 website (*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 website 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–ISE–2017–112 and should be submitted on or before February 1, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[14]

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2018–00305 Filed 1–10–18; 8:45 am]

BILLING CODE 8011–01–P

[12] 15 U.S.C. 78s(b)(3)(A)(ii).

[13] 17 CFR 240.19b–4(f)(2).

[14] 17 CFR 200.30–3(a)(12).

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #15399 and #15400; MISSISSIPPI Disaster Number MS–00104]

Presidential Declaration Amendment of a Major Disaster for Public Assistance Only for the State of Mississippi

AGENCY: U.S. Small Business Administration.

ACTION: Amendment 1.

SUMMARY: This is an amendment of the presidential declaration of a major disaster for public assistance only for the state of Mississippi (FEMA–4350–DR), dated 11/22/2017.

Incident: Hurricane Nate.

Incident Period: 10/06/2017 through 10/10/2017.

DATES: Issued on 01/02/2018.

Physical Loan Application Deadline Date: 01/22/2018.

Economic Injury (EIDL) Loan Application Deadline Date: 08/22/2018.

ADDRESSES: Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

FOR FURTHER INFORMATION CONTACT: A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205–6734.

SUPPLEMENTARY INFORMATION: The notice of the President's major disaster declaration for Private Non-Profit organizations in the State of Mississippi, dated 11/22/2017, is hereby amended to include the following areas as adversely affected by the disaster.

Primary Counties: Hancock

All other information in the original declaration remains unchanged.

(Catalog of Federal Domestic Assistance Number 59008)

Jerome Edwards,

Acting Associate Administrator for Disaster Assistance.

[FR Doc. 2018–00366 Filed 1–10–18; 8:45 am]

BILLING CODE 8025–01–P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #15423 and #15424; NEW YORK Disaster Number NY–00180]

Administrative Declaration of a Disaster for the State of New York

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is a notice of an administrative declaration of a disaster for the state of New York dated 01/04/2018.

Incident: Multi-Alarm Fire.

Incident Period: 11/30/2017.

DATES: Issued on 01/04/2018.

Physical Loan Application Deadline Date: 03/05/2018.

Economic Injury (EIDL) Loan Application Deadline Date: 10/04/2018.

ADDRESSES: Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

FOR FURTHER INFORMATION CONTACT: A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205–6734.

SUPPLEMENTARY INFORMATION: Notice is hereby given that as a result of the Administrator's disaster declaration, applications for disaster loans may be filed at the address listed above or other locally announced locations.

The following areas have been determined to be adversely affected by the disaster:

Primary Counties: Albany

Contiguous Counties:

New York: Columbia, Greene, Rensselaer, Saratoga, Schenectady, Schoharie

The Interest Rates are:

	Percent
For Physical Damage:	
Homeowners with Credit Available Elsewhere	3.500
Homeowners without Credit Available Elsewhere	1.750
Businesses with Credit Available Elsewhere	6.770
Businesses without Credit Available Elsewhere	3.385
Non-Profit Organizations with Credit Available Elsewhere	2.500
Non-Profit Organizations without Credit Available Elsewhere	2.500
For Economic Injury:	
Businesses & Small Agricultural Cooperatives without Credit Available Elsewhere	3.385
Non-Profit Organizations without Credit Available Elsewhere	2.500

The number assigned to this disaster for physical damage is 15423 5 and for economic injury is 15424 0.

The State which received an EIDL Declaration # is New York.

(Catalog of Federal Domestic Assistance Number 59008)

Dated: January 4, 2018.

Linda E. McMahon,

Administrator.

[FR Doc. 2018–00381 Filed 1–10–18; 8:45 am]

BILLING CODE 8025–01–P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #15429 and #15430; NEW HAMPSHIRE Disaster Number NH–00040]

Presidential Declaration of a Major Disaster for Public Assistance Only for the State of New Hampshire

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is a notice of the presidential declaration of a major disaster for public assistance only for the state of New Hampshire (FEMA–4355–DR), dated 01/02/2018.

Incident: Severe Storm and Flooding.

Incident Period: 10/29/2017 through 11/01/2017.

DATES: Issued on 01/02/2018.

Physical Loan Application Deadline Date: 03/05/2018.

Economic Injury (EIDL) Loan Application Deadline Date: 10/02/2018.

ADDRESSES: Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

FOR FURTHER INFORMATION CONTACT: A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205–6734.

SUPPLEMENTARY INFORMATION: Notice is hereby given that as a result of the President's major disaster declaration on 01/02/2018, Private Non-Profit organizations that provide essential services of a governmental nature may file disaster loan applications at the address listed above or other locally announced locations.

The following areas have been determined to be adversely affected by the disaster:

Primary Counties: Belknap, Carroll, Coos, Grafton, Sullivan

The Interest Rates are:

	Percent
For Physical Damage:	
Non-Profit Organizations with Credit Available Elsewhere	2.500
Non-Profit Organizations without Credit Available Elsewhere	2.500
For Economic Injury:	
Non-Profit Organizations without Credit Available Elsewhere	2.500

The number assigned to this disaster for physical damage is 154296 and for economic injury is 154300.

(Catalog of Federal Domestic Assistance Number 59008)

Jerome Edwards,

Acting Associate Administrator for Disaster Assistance.

[FR Doc. 2018–00362 Filed 1–10–18; 8:45 am]

BILLING CODE 8025–01–P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #15416 and #15417; CONNECTICUT Disaster Number CT–00041]

Administrative Declaration of a Disaster for the State of Connecticut

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is a notice of an administrative declaration of a disaster for the state of Connecticut dated 01/02/2018.

Incident: Stonewood Condominiums Fire.

Incident Period: 12/11/2017.

DATES: Issued on 01/02/2018.

Physical Loan Application Deadline Date: 03/05/2018.

Economic Injury (EIDL) Loan Application Deadline Date: 10/02/2018.

ADDRESSES: Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

FOR FURTHER INFORMATION CONTACT: A.E. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205–6734.

SUPPLEMENTARY INFORMATION: Notice is hereby given that as a result of the Administrator's disaster declaration, applications for disaster loans may be filed at the address listed above or other locally announced locations. The following areas have been determined to be adversely affected by the disaster:

Primary Counties: Fairfield

Contiguous Counties:

Connecticut: Litchfield, New Haven

New York: Dutchess, Putnam, Westchester

The Interest Rates are:

	Percent
For Physical Damage:	
Homeowners With Credit Available Elsewhere	3.500
Homeowners Without Credit Available Elsewhere	1.750
Businesses With Credit Available Elsewhere	6.770
Businesses Without Credit Available Elsewhere	3.385
Non-Profit Organizations With Credit Available Elsewhere	2.500
Non-Profit Organizations Without Credit Available Elsewhere	2.500
For Economic Injury:	
Businesses & Small Agricultural Cooperatives Without Credit Available Elsewhere	3.385
Non-Profit Organizations Without Credit Available Elsewhere	2.500

The number assigned to this disaster for physical damage is 15416 5 and for economic injury is 15417 0.

The States which received an EIDL Declaration # are Connecticut, New York.

(Catalog of Federal Domestic Assistance Number 59008)

Dated: January 2, 2018.

Linda E. McMahon,

Administrator.

[FR Doc. 2018–00382 Filed 1–10–18; 8:45 am]

BILLING CODE 8025–01–P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #15431 and #15432; VERMONT Disaster Number VT–00034]

Presidential Declaration of a Major Disaster for Public Assistance Only for the State of Vermont

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is a notice of the presidential declaration of a major disaster for public assistance only for the state of Vermont (FEMA–4356–DR), dated 01/02/2018.

Incident: Severe Storm and Flooding.

Incident Period: 10/29/2017 through 10/30/2017.

DATES: Issued on 01/02/2018.

Physical Loan Application Deadline Date: 03/05/2018.

Economic Injury (EIDL) Loan Application Deadline Date: 10/02/2018.

ADDRESSES: Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

FOR FURTHER INFORMATION CONTACT: A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205–6734.

SUPPLEMENTARY INFORMATION: Notice is hereby given that as a result of the President's major disaster declaration on 01/02/2018, Private Non-Profit organizations that provide essential services of a governmental nature may file disaster loan applications at the address listed above or other locally announced locations.

The following areas have been determined to be adversely affected by the disaster:

Primary Counties: Addison, Chittenden, Essex, Franklin, Grand Isle, Lamoille, Orange, Orleans, Washington, Windham

The Interest Rates are:

	Percent
For Physical Damage:	
Non-Profit Organizations with Credit Available Elsewhere	2.500
Non-Profit Organizations without Credit Available Elsewhere	2.500
For Economic Injury:	
Non-Profit Organizations without Credit Available Elsewhere	2.500

The number assigned to this disaster for physical damage is 154316 and for economic injury is 154320.

(Catalog of Federal Domestic Assistance Number 59008)

Jerome Edwards,

Acting Associate Administrator for Disaster Assistance.

[FR Doc. 2018–00363 Filed 1–10–18; 8:45 am]

BILLING CODE 8025–01–P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #15427 and #15428; MAINE Disaster Number ME–00049]

Presidential Declaration of a Major Disaster for Public Assistance Only for the State of Maine

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is a notice of the presidential declaration of a major disaster for public assistance only for the state of Maine (FEMA–4354–DR), dated 01/02/2018.

Incident: Severe Storm and Flooding.

Incident Period: 10/29/2017 through 11/01/2017.

DATES: Issued on 01/02/2018.

Physical Loan Application Deadline Date: 03/05/2018.

Economic Injury (EIDL) Loan Application Deadline Date: 10/02/2018.

ADDRESSES: Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

FOR FURTHER INFORMATION CONTACT: A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205–6734.

SUPPLEMENTARY INFORMATION: Notice is hereby given that as a result of the President's major disaster declaration on 01/02/2018, Private Non-Profit organizations that provide essential services of a governmental nature may file disaster loan applications at the address listed above or other locally announced locations.

The following areas have been determined to be adversely affected by the disaster:

Primary Counties: Cumberland, Franklin, Hancock, Kennebec, Knox, Lincoln, Oxford, Penobscot, Piscataquis, Sagadahoc, Somerset, Waldo, York

The Interest Rates are:

	Percent
For Physical Damage:	
Non-Profit Organizations with Credit Available Elsewhere	2.500
Non-Profit Organizations without Credit Available Elsewhere	2.500
For Economic Injury:	
Non-Profit Organizations without Credit Available Elsewhere	2.500

The number assigned to this disaster for physical damage is 154276 and for economic injury is 154280.

(Catalog of Federal Domestic Assistance Number 59008)

Jerome Edwards,

Acting Associate Administrator for Disaster Assistance.

[FR Doc. 2018–00360 Filed 1–10–18; 8:45 am]

BILLING CODE 8025–01–P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #15425 and #15426; CALIFORNIA Disaster Number CA–00283]

Presidential Declaration of a Major Disaster for Public Assistance Only for the State of California

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is a notice of the presidential declaration of a major disaster for public assistance only for the state of California (FEMA–4353–DR), dated 01/02/2018.

Incident: Wildfires.

Incident Period: 12/04/2017 and continuing.

DATES: Issued on 01/02/2018.

Physical Loan Application Deadline Date: 03/05/2018.

Economic Injury (EIDL) Loan Application Deadline Date: 10/02/2018.

ADDRESSES: Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

FOR FURTHER INFORMATION CONTACT: A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205–6734.

SUPPLEMENTARY INFORMATION: Notice is hereby given that as a result of the President's major disaster declaration on 01/02/2018, Private Non-Profit organizations that provide essential services of a governmental nature may file disaster loan applications at the address listed above or other locally announced locations.

The following areas have been determined to be adversely affected by the disaster:

Primary Counties: Santa Barbara, Ventura.

The Interest Rates are:

	Percent
For Physical Damage:	
Non-Profit Organizations with Credit Available Elsewhere	2.500
Non-Profit Organizations without Credit Available Elsewhere	2.500
For Economic Injury:	
Non-Profit Organizations without Credit Available Elsewhere	2.500

The number assigned to this disaster for physical damage is 154255 and for economic injury is 154260.

(Catalog of Federal Domestic Assistance Number 59008)

Jerome Edwards,

Acting Associate Administrator for Disaster Assistance.

[FR Doc. 2018–00364 Filed 1–10–18; 8:45 am]

BILLING CODE 8025–01–P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #15418 and #15419; LOUISIANA Disaster Number LA–00079]

Administrative Declaration of a Disaster for the State of Louisiana

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is a notice of an Administrative declaration of a disaster for the State of Louisiana dated 01/02/2018.

Incident: Tropical Storm Harvey.

Incident Period: 08/27/2017 through 09/10/2017.

DATES: Issued on 01/02/2018.

Physical Loan Application Deadline Date: 03/05/2018.

Economic Injury (EIDL) Loan Application Deadline Date: 10/02/2018.

ADDRESSES: Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

FOR FURTHER INFORMATION CONTACT: A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205–6734.

SUPPLEMENTARY INFORMATION: Notice is hereby given that as a result of the Administrator's disaster declaration, applications for disaster loans may be filed at the address listed above or other locally announced locations.

The following areas have been determined to be adversely affected by the disaster:

Primary Counties: Calcasieu

Contiguous Counties:

Louisiana: Beauregard, Cameron, Jefferson Davis

Texas: Newton, Orange

The Interest Rates are:

	Percent
For Physical Damage:	
Homeowners With Credit Available Elsewhere	3.500
Homeowners Without Credit Available Elsewhere	1.750
Businesses With Credit Available Elsewhere	6.610
Businesses Without Credit Available Elsewhere	3.305
Non-Profit Organizations With Credit Available Elsewhere	2.500
Non-Profit Organizations Without Credit Available Elsewhere	2.500
For Economic Injury:	
Businesses & Small Agricultural Cooperatives Without Credit Available Elsewhere	3.305
Non-Profit Organizations Without Credit Available Elsewhere	2.500

The number assigned to this disaster for physical damage is 15418 B and for economic injury is 15419 0.

The States which received an EIDL Declaration # are Louisiana, Texas.

(Catalog of Federal Domestic Assistance Number 59008)

Dated: January 2, 2018.

Linda E. McMahon,

Administrator.

[FR Doc. 2018–00383 Filed 1–10–18; 8:45 am]

BILLING CODE 8025–01–P

DEPARTMENT OF STATE

[Public Notice 10265]

Secretary of State's Determination Under the International Religious Freedom Act of 1998

The Secretary of State's designation of ''countries of particular concern'' for religious freedom violations. Pursuant to Section 408(a) of the International Religious Freedom Act of 1998 (Pub. L. 105–292), as amended (the Act), notice is hereby given that, on December 22, 2017, the Secretary of State, under authority delegated by the President, has designated each of the following as a ''country of particular concern'' (CPC) under section 402(b) of the Act, for having engaged in or tolerated particularly severe violations of religious freedom: Burma, China, Eritrea, Iran, the Democratic People's Republic of Korea, Saudi Arabia, Sudan, Tajikistan, Turkmenistan, and Uzbekistan. The Secretary simultaneously designated the following Presidential Actions for these CPCs:

For Burma, the existing ongoing restrictions referenced in 22 CFR 126.1, pursuant to section 402(c)(5) of the Act;

For China, the existing ongoing restriction on exports to China of crime control and detection instruments and equipment, under the Foreign Relations Authorization Act of 1990 and 1991 (Pub. L. 101–246), pursuant to section 402(c)(5) of the Act;

For Eritrea, the existing ongoing restrictions referenced in 22 CFR 126.1, pursuant to section 402(c)(5) of the Act;

For Iran, the existing ongoing travel restrictions in section 221(c) of the Iran Threat Reduction and Syria Human Rights Act of 2012 (TRA) for individuals identified under section 221(a)(1)(C) of the TRA in connection with the commission of serious human rights abuses, pursuant to section 402(c)(5) of the Act;

For the Democratic People's Republic of Korea, the existing ongoing restrictions to which the Democratic People's Republic of Korea is subject, pursuant to sections 402 and 409 of the Trade Act of 1974 (the Jackson-Vanik Amendment), pursuant to section 402(c)(5) of the Act;

For Saudi Arabia, a waiver as required in the ''important national interest of the United States,'' pursuant to section 407 of the Act;

For Sudan, the restriction in the annual Department of State, Foreign Operations, and Related Programs Appropriations Act on making certain appropriated funds available for assistance to the Government of Sudan, currently set forth in section 7042(j) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2015 (Div. K, Pub. L. 114–113), and any provision of law that is the same or substantially the same as this provision, pursuant to section 402(c)(5) of the Act;

For Tajikistan, a waiver as required in the ''important national interest of the United States,'' pursuant to section 407 of the Act;

For Turkmenistan, a waiver as required in the ''important national interest of the United States,'' pursuant to section 407 of the Act;

For Uzbekistan, a waiver as required in the ''important national interest of the United States,'' pursuant to section 407 of the Act.

In addition, the Secretary of State has designated the following country as a ''special watch list'' country for severe violations of religious freedom: Pakistan.

FOR FURTHER INFORMATION CONTACT: Benjamin W. Medina, Office of International Religious Freedom, Bureau of Democracy, Human Rights, and Labor, U.S. Department of State, (Phone: (202) 647 3865 or Email: *MedinaBW@state.gov*).

Daniel L. Nadel,

Director, Office of International Religious Freedom, Department of State.

[FR Doc. 2018–00333 Filed 1–10–18; 8:45 am]

BILLING CODE 4710–18–P

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Notice of Continuation and Request for Nominations for the Trade Advisory Committee on Africa

AGENCY: Office of the United States Trade Representative.

ACTION: Notice and request for applications.

SUMMARY: The Office of the United States Trade Representative (USTR) is establishing a new four-year charter term and accepting applications from qualified individuals interested in serving as a member of the Trade Advisory Committee on Africa (TACA). The TACA is a trade advisory committee that provides general policy advice and guidance to the United States Trade Representative on trade policy and development matters that have a significant impact on the countries of sub-Saharan Africa.

DATES: USTR will accept nominations on a rolling basis for membership on the TACA for the four-year charter term beginning in March 2018. To ensure consideration before the new charter term, you should submit you application by February 2, 2018.

FOR FURTHER INFORMATION CONTACT: Stewart Young, Deputy Assistant U.S. Trade Representative for Intergovernmental Affairs and Public Engagement, *SYoung@ustr.eop.gov* or 202–395–2864, or Bennett Harman, Deputy Assistant U.S. Trade Representative for Africa, *BHarman@ustr.eop.gov* or 202–395–9612.

SUPPLEMENTARY INFORMATION:

1. Background

Section 135(c)(1) of the Trade Act of 1974, as amended (19 U.S.C. 2155(c)(1)), authorizes the President to establish individual general trade policy advisory committees for industry, labor, agriculture, services, investment, defense, small business, and other interests, as appropriate, to provide general policy advice. The President delegated that authority to the United States Trade Representative in Executive Order 11846, section 4(d), issued on March 27, 1975. In addition, section 14 of the AGOA Acceleration Act of 2004, Public Law 108–274, 118 Stat. 829–830 (*codified at* 19 U.S.C. 3701 note) specifically acknowledged the TACA, which USTR established under these authorities. Advisory committees established by the Trade Representative are subject to the provisions of the Federal Advisory Committee Act. *See* 19 U.S.C. 2155(f); 5 U.S.C. App. II.

Pursuant to these authorities, the United States Trade Representative intends to establish a new four-year charter term for the TACA, which will begin on March 19, 2018 and end on March 18, 2022.

The TACA is a discretionary trade advisory committee established to provide general policy advice to the United States Trade Representative on trade policy and development matters that have a significant impact on the countries of sub-Saharan Africa. More specifically, the TACA provides general policy advice on issues that may affect the countries of sub-Saharan Africa including: (1) Negotiating objectives and bargaining positions before entering into trade agreements; (2) the impact of the implementation of trade agreements; (3) matters concerning the operation of any trade agreement once entered into; and (4) other matters arising in connection with the development, implementation, and administration of the trade policy of the United States. The TACA also facilitates the goals and objectives of the African Growth and Opportunity Act (AGOA) and assists in maintaining ongoing discussions with sub-Saharan African trade and agriculture ministries and private sector organizations on issues of mutual concern, including regional and international trade concerns and World Trade Organization issues.

The TACA meets as needed, at the call of the United States Trade Representative or his/her designee, or two-thirds of the TACA members, depending on various factors such as the level of activity of trade negotiations and the needs of the United States Trade Representative.

II. Membership

The TACA is composed of not more than 30 members who have expertise in general trade, investment and development issues and specific knowledge of United States-Africa trade and investment trends including trade under the AGOA; constraints to trade and investment (including infrastructure, energy and financing); trade facilitation measures; sanitary and phyto-sanitary measures and technical

barriers to trade; trade capacity building; investment treaty negotiations; United States-Africa investment and private sector partnerships; and implementation of World Trade Organization agreements. Members may represent industry, organized labor, investment, agriculture, services, non-profit development organizations, academia, and small business.

The United States Trade Representative appoints all TACA members for a term of four-years or until the TACA charter expires, and they serve at his/her discretion. Individuals can be reappointed for any number of terms. The United States Trade Representative makes appointments without regard to political affiliation and with an interest in ensuring balance in terms of sectors, demographics, and other factors relevant to the USTR's needs. Insofar as practicable, TACA membership will reflect regional diversity and be broadly representative of key sectors and groups of the economy with an interest in trade and sub-Saharan Africa issues, including U.S. citizens who are diaspora African and U.S. citizens of African descent with requisite knowledge and experience.

TACA members serve without either compensation or reimbursement of expenses. Members are responsible for all expenses they incur to attend meetings or otherwise participate in TACA activities.

The United States Trade Representative appoints TACA members to represent their sponsoring U.S. entity's interests on sub-Saharan Africa trade, and thus USTR's foremost consideration for applicants is their ability to carry out the goals of section 135(c) of the Trade Act of 1974, as amended. Other criteria include the applicant's knowledge of and expertise in international trade issues as relevant to the work of the TACA and USTR. USTR anticipates that almost all TACA members will serve in a representative capacity with a very limited number serving in an individual capacity as subject matter experts. These members, known as special government employees or SGEs, are subject to conflict of interest rules and will have to complete a financial disclosure report.

III. Request for Nominations

USTR is soliciting nominations for membership on the TACA. To apply for membership, an applicant must meet the following eligibility criteria:

1. The applicant must be a U.S. citizen.
2. The applicant cannot be a full-time employee of a U.S. governmental entity.
3. If serving in an individual capacity as an SGE, the applicant cannot be a federally registered lobbyist.
4. The applicant cannot be registered with the U.S. Department of Justice under the Foreign Agents Registration Act.
5. The applicant must be able to obtain and maintain a security clearance.
6. For representative members, who will comprise the overwhelming majority of the TACA, the applicant must represent a U.S. organization whose members (or funders) have a demonstrated interest in issues relevant to U.S. African trade and investment or have personal experience or expertise in United States-sub-Saharan African trade.

For eligibility purposes, a ''U.S. organization'' is an organization established under the laws of the United States, that is controlled by U.S. citizens, by another U.S. organization (or organizations), or by a U.S. entity (or entities), determined based on its board of directors (or comparable governing body), membership, and funding sources, as applicable. To qualify as a U.S. organization, more than 50 percent of the board of directors (or comparable governing body) and more than 50 percent of the membership of the organization to be represented must be U.S. citizens, U.S. organizations, or U.S. entities. Additionally, at least 50 percent of the organization's annual revenue must be attributable to nongovernmental U.S. sources.

7. For members who will serve in an individual capacity, the applicant must possess subject matter expertise regarding sub-Saharan Africa trade issues.

In order to be considered for TACA membership, interested persons should submit the following to Stewart Young at *SYoung@ustr.eop.gov:*

- Name, title, affiliation, and contact information of the individual requesting consideration.
- If applicable, a sponsor letter on the organization's letterhead containing a brief description of the manner in which international trade affects the organization and why USTR should consider the applicant for membership.
- The applicant's personal resume or comprehensive biography.
- An affirmative statement that the applicant and the organization he or she represents meet all eligibility requirements.

USTR will consider applicants who meet the eligibility criteria based on the following factors: Ability to represent the sponsoring U.S. entity's or U.S. organization's and its subsector's interests on sub-Saharan Africa trade matters; knowledge of and experience in trade matters relevant to the work of the TACA and USTR; and ensuring that the TACA is balanced in terms of points of view, demographics, geography, and entity or organization size.

Stewart Young,

Deputy Assistant U.S. Trade Representative for Intergovernmental Affairs and Public Engagement, Office of the United States Trade Representative.

[FR Doc. 2018–00338 Filed 1–10–18; 8:45 am]

BILLING CODE 3290–F8–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Fifty Fifth RTCA SC–224 Standards for Airport Security Access Control Systems Plenary

AGENCY: Federal Aviation Administration (FAA), U.S. Department of Transportation (DOT).

ACTION: Fifty Fifth RTCA SC–224 Standards for Airport Security Access Control Systems Plenary.

SUMMARY: The FAA is issuing this notice to advise the public of a meeting of Fifty Fifth RTCA SC–224 Standards for Airport Security Access Control Systems Plenary.

DATES: The meeting will be held February 22, 2018 10:00 a.m.–1:00 p.m.

ADDRESSES: The meeting will be held at: RTCA Headquarters, 1150 18th Street NW, Suite 910, Washington, DC 20036.

FOR FURTHER INFORMATION CONTACT: Karan Hofmann at *khofmann@rtca.org* or 202–330–0680, or The RTCA Secretariat, 1150 18th Street NW, Suite 910, Washington, DC 20036, or by telephone at (202) 833–9339, fax at (202) 833–9434, or website at *http://www.rtca.org.*

SUPPLEMENTARY INFORMATION: Pursuant to section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92–463, 5 U.S.C., App.), notice is hereby given for a meeting of the Fifty Fifth RTCA SC–224 Standards for Airport Security Access Control Systems Plenary. The agenda will include the following:

1. Welcome/Introductions/Administrative Remarks
2. Review/Approve Previous Meeting Summary
3. Report on TSA Participation
4. Report on Document Distribution Mechanisms

5. Report on the New Guidelines and Other Safe Skies Reports
6. Discussion on DO–230I
7. Action Items for Next Meeting
8. Time and Place of Next Meeting
9. Any Other Business
10. Adjourn

Attendance is open to the interested public but limited to space availability. With the approval of the chairman, members of the public may present oral statements at the meeting. Persons wishing to present statements or obtain information should contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section. Members of the public may present a written statement to the committee at any time.

Issued in Washington, DC, on January 5, 2018.

John Raper,

Manager, Partnership Contracts Branch, ANG–A17 (Acting), NextGen, Procurement Services Division, Federal Aviation Administration.

[FR Doc. 2018–00302 Filed 1–10–18; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Twenty Eighth RTCA SC–222 AMS(R)S Systems Plenary

AGENCY: Federal Aviation Administration (FAA), U.S. Department of Transportation (DOT).

ACTION: Twenty Eighth RTCA SC–222 AMS(R)S Systems Plenary.

SUMMARY: The FAA is issuing this notice to advise the public of a meeting of Twenty Eighth RTCA SC–222 AMS(R)S Systems Plenary.

DATES: The meeting will be held February 06–07, 2018 8:00 a.m.–12:00 p.m.

ADDRESSES: The meeting will be held Virtually: *https://rtca.webex.com/rtca/j.php?MTID=m4b61202f64787c532572d2c1c02bc6c8,* Meeting number (access code): 631 228 278 Meeting password: hWmCMhM2.

FOR FURTHER INFORMATION CONTACT: Karan Hofmann at *khofmann@rtca.org* or 202–330–0680, or The RTCA Secretariat, 1150 18th Street NW, Suite 910, Washington, DC 20036, or by telephone at (202) 833–9339, fax at (202) 833–9434, or website at *http://www.rtca.org.*

SUPPLEMENTARY INFORMATION: Pursuant to section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92–463, 5 U.S.C., App.), notice is hereby given for a meeting of the Twenty Eighth RTCA SC–222 AMS(R)S Systems Plenary. The agenda will include the following:

Tuesday, February 6, 2018

Welcome, Introductions, Administrative Remarks by Special Committee Leadership
1. Agenda Overview
2. Review/Approve Prior Plenary Meeting Summary—(Action Item Status)
3. Industry Presentations
4. SC–228 IRSA Discussion
5. Updates on DO–343B/ED–242A and DO–262D/ED–243A
6. Detailed Work Plan for SC–222 and WG–82
7. Establish Agenda, Date and Place for Next Meeting
8. Review of Action Items
9. Adjourn—Plenary Meeting

Wednesday, February 7, 2018

Continuation of Plenary Agenda Items

Attendance is open to the interested public but limited to space availability. With the approval of the chairman, members of the public may present oral statements at the meeting. Persons wishing to present statements or obtain information should contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section. Members of the public may present a written statement to the committee at any time.

Issued in Washington, DC, on January 5, 2018.

John Raper,

Manager, Partnership Contracts Branch, ANG–A17 (Acting), NextGen, Procurement Services Division, Federal Aviation Administration.

[FR Doc. 2018–00301 Filed 1–10–18; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Sixty Eighth RTCA SC–186 Plenary Session

AGENCY: Federal Aviation Administration (FAA), U.S. Department of Transportation (DOT).

ACTION: Sixty Eighth RTCA SC–186 Plenary Session.

SUMMARY: The FAA is issuing this notice to advise the public of a meeting of Sixty Eighth RTCA SC–186 Plenary Session.

DATES: The meeting will be held March 23, 2018 9:00 a.m.–4:30 p.m.

ADDRESSES: The meeting will be held at: RTCA Headquarters, 1150 18th Street NW, Suite 910, Washington, DC 20036.

FOR FURTHER INFORMATION CONTACT: Al Secen at *asecen@rtca.org* or 202–330–0647, or The RTCA Secretariat, 1150 18th Street NW, Suite 910, Washington, DC 20036, or by telephone at (202) 833–9339, fax at (202) 833–9434, or website at *http://www.rtca.org.*

SUPPLEMENTARY INFORMATION: Pursuant to section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92–463, 5 U.S.C., App.), notice is hereby given for a meeting of the Sixty Eighth RTCA SC–186 Plenary Session. The agenda will include the following:
1. Welcome/Chairman's Introductory Remarks/Introductions
2. Review of Meeting Agenda
3. Review/Approval of the Sixty–Seventh Meeting Summary
4. FAA Surveillance & Broadcast Services (SBS) Program—Status
5. WG–3—Extended Squitter MOPS/SC–209 ATC XPDR MOPS—Status
6. WG–4—Advanced Interval Management (A–IM)—Stauts
7. Other Business
   A. Aireon Activities Update
   B. Terms of Reference Considerations
   C. Date, Place, and Time of Next Meeting
8. New Business
9. Review Action Items
10. Adjourn

Attendance is open to the interested public but limited to space availability. With the approval of the chairman, members of the public may present oral statements at the meeting. Persons wishing to present statements or obtain information should contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section. Members of the public may present a written statement to the committee at any time.

Issued in Washington, DC, on January 5, 2018.

John Raper,

Manager, Partnership Contracts Branch, ANG–A17 (Acting), NextGen, Procurement Services Division, Federal Aviation Administration.

[FR Doc. 2018–00300 Filed 1–10–18; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

Notice of OFAC Sanctions Actions

AGENCY: Office of Foreign Assets Control, Department of the Treasury.

ACTION: Notice.

SUMMARY: The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) is publishing the names of persons that have been placed on

OFAC's Specially Designated Nationals and Blocked Persons List based on OFAC's determination that one or more applicable legal criteria were satisfied. All property and interests in property subject to U.S. jurisdiction of these persons are blocked, and U.S. persons are generally prohibited from engaging in transactions with them.

DATES: See **SUPPLEMENTARY INFORMATION** section for applicable date.

FOR FURTHER INFORMATION CONTACT: OFAC: Associate Director for Global Targeting, tel.: 202–622–2420; Assistant Director for Licensing, tel.: 202–622–2480; Assistant Director for Regulatory Affairs, tel.: 202–622–4855; Assistant Director for Sanctions Compliance & Evaluation, tel.: 202–622–2490; or the Department of the Treasury's Office of the General Counsel: Office of the Chief Counsel (Foreign Assets Control), tel.: 202–622–2410.

SUPPLEMENTARY INFORMATION:

Electronic Availability

The list of Specially Designated Nationals and Blocked Persons (SDN List) and additional information concerning OFAC sanctions programs are available on OFAC's website (*http://www.treasury.gov/ofac*).

Notice of OFAC Actions

On January 5, 2018, OFAC determined that the property and interests in property subject to U.S. jurisdiction of the following persons are blocked under the relevant sanctions authority listed below.

1. IZQUIERDO TORRES, Gerardo Jose (Latin: IZQUIERDO TORRES, Gerardo José), Caracas, Capital District, Venezuela; DOB 29 Mar 1961; citizen Venezuela; Gender Male; Cedula No. 6030540 (Venezuela); State Minister for the New Border of Peace (individual) [VENEZUELA]. Designated pursuant to section 1(a)(ii)(C) of E.O. 13692 for being a current or former official of the Government of Venezuela.

2. MARCO TORRES, Rodolfo Clemente, Aragua, Venezuela; DOB 10 Sep 1966; citizen Venezuela; Gender Male; Cedula No. 8812571 (Venezuela); Passport D0222624 (Venezuela); Governor of Aragua State (individual) [VENEZUELA]. Designated pursuant to section 1(a)(ii)(C) of E.O. 13692 for being a current or former official of the Government of Venezuela.

3. RANGEL GOMEZ, Francisco Jose (Latin: RANGEL GOMEZ, Francisco José), Bolivar, Venezuela; DOB 04 Apr 1953; POB Caracas, Venezuela; citizen Venezuela; Gender Male; Cedula No. 2520281 (Venezuela); Former Governor of Bolivar State (individual) [VENEZUELA]. Designated pursuant to section 1(a)(ii)(C) of E.O. 13692 for being a current or former official of the Government of Venezuela.

4. ZAVARSE PABON, Fabio Enrique (Latin: ZAVARSE PABÓN, Fabio Enrique), Caracas, Capital District, Venezuela; DOB 04 Oct 1967; citizen Venezuela; Gender Male; Cedula No. 6967914 (Venezuela); Passport 032131710 (Venezuela); Commander of the Capital Integral Defense Operational Zone of the National Armed Forces (individual) [VENEZUELA]. Designated pursuant to section 1(a)(ii)(C) of E.O. 13692 for being a current or former official of the Government of Venezuela.

Dated: January 5, 2018.

Andrea M. Gacki,

Acting Director, Office of Foreign Assets Control.

[FR Doc. 2018–00316 Filed 1–10–18; 8:45 am]

BILLING CODE 4810–AL–P

FEDERAL REGISTER

Vol. 83 Thursday,

No. 8 January 11, 2018

Part II

Department of the Interior

Bureau of Indian Affairs

Rincon Band of Luiseño Mission Indians of the Rincon Reservation; Amendments to Rincon Alcohol Control Ordinance; Notice

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

[189A2100DD/AAKC001030/ A0A501010.999900]

Rincon Band of Luiseño Mission Indians of the Rincon Reservation; Amendments to Rincon Alcohol Control Ordinance

AGENCY: Bureau of Indian Affairs, Interior.

ACTION: Notice.

SUMMARY: This notice publishes comprehensive amendments to the Rincon Band of Luiseño Mission Indians of the Rincon Reservation's Tribal Code § 7.400, Rincon Alcohol Control Ordinance. This Ordinance amends and supersedes the existing Rincon Alcohol Control Ordinance, Ordinance No. 99–01, enacted by the Rincon Band of Luiseño Mission Indians on June 13, 2000.

DATES: This Ordinance shall become effective February 12, 2018.

FOR FURTHER INFORMATION CONTACT: Mr. Harley Long, Tribal Government Officer, Pacific Regional Office, Bureau of Indian Affairs, 2800 Cottage Way, Room W–2820, Sacramento, California 95825, Telephone: (916) 978–6000, Fax: (916) 978–6099.

SUPPLEMENTARY INFORMATION: Pursuant to the Act of August 15, 1953, Public Law 82–277, 67 Stat. 586, 18 U.S.C. 1161, as interpreted by the Supreme Court in *Rice* v. *Rehner,* 463 U.S. 713 (1983), the Secretary of the Interior shall certify and publish in the **Federal Register** notice of adopted liquor control ordinances for the purpose of regulating liquor transactions in Indian country. On April 18, 2017, the Rincon Band of Mission Indians duly adopted amendments to Tribal Code § 7.400, Rincon Alcohol Control Ordinance. This **Federal Register** notice comprehensively amends and supersedes the existing Rincon Alcohol Control Ordinance No. 99–01, enacted by the Rincon Band of Luiseño Mission Indians, and published in the **Federal Register** on October 6, 2000 (65 FR 59864).

This notice is published in accordance with the authority delegated by the Secretary of the Interior to the Assistant Secretary—Indian Affairs. I certify that the Rincon Band of Luiseño Mission Indians of the Rincon Reservation, California, duly adopted these amendments to the Tribe's Tribal Code § 7.400, Rincon Alcohol Control Ordinance on April 18, 2017.

Dated: December 15, 2018.

John Tahsuda,

Principal Deputy Assistant Secretary—Indian Affairs, exercising the authority of the Assistant Secretary—Indian Affairs.

The amended Rincon Band of Luiseño Mission Indian's Tribal Code § 7.400, Rincon Alcohol Control Ordinance, shall read as follows:

Rincon Alcohol Control Ordinance

Tribal Code § 7.400

§ 7.400 Title
§ 7.401 Authority
§ 7.402 Purpose
§ 7.403 Manufacture of Alcohol
§ 7.404 Possession of Alcohol
§ 7.405 Sale of Alcohol
§ 7.406 Age limit
§ 7.407 Civil Penalties
§ 7.408 Severability
§ 7.409 Sovereign Immunity

§ 7.400 Title

This Ordinance shall be known as the Rincon Ordinance Regulating and Controlling the Manufacture, Introduction, Sale or Possession of Alcoholic Beverages within the boundaries of the Rincon Indian Reservation. The short title of this Ordinance shall be ''Rincon Alcohol Control Ordinance.''

§ 7.401 Authority

This Ordinance is enacted pursuant to federal law, specifically the Act of August 15, 1953, Public Law 83–277, 67 Stat. 588, 18 U.S.C. 1161, and the Articles of Association, Governing Procedures for Administering the Affairs of The Rincon, San Luiseno Band of Mission Indians, California. This Rincon Alcohol Control Ordinance is in conformity with the laws of the State of California as required by 18 U.S.C. 1161, and with all applicable federal laws.

§ 7.402 Purpose

The purpose of this Ordinance is to regulate and control the possession and sale of alcohol within the exterior boundaries of the Rincon Reservation, and to permit alcohol sales by tribally owned, controlled or operated enterprises, and at tribally approved special events, for the purpose of the economic development of the Rincon Band. The enactment of a tribal ordinance governing alcohol possession and sales within the exterior boundaries of the Rincon Reservation increases the ability of the Tribal Government to control Rincon Reservation alcohol distribution and possession, and will provide an important source of revenue for the continued operation and strengthening of the Tribal Government and the economic viability of Tribal Government services.

§ 7.403 Manufacture of Alcohol

The manufacture of alcoholic beverages by business enterprises owned by or subject to the control of the Rincon Band shall be lawful within the exterior boundaries of the Rincon Reservation provided that such manufacture is in conformity with the laws of the State of California as required by federal law.

§ 7.404 Possession of Alcohol

The introduction or possession of alcoholic beverages shall be lawful within the exterior boundaries of the Rincon Reservation provided that such introduction or possession is in conformity with the laws of the State of California as required by federal law.

§ 7.405 Sale of Alcohol

(a) The sale of alcoholic beverages by business enterprises owned or operated by, or subject to the control of, the Rincon Band shall be lawful within the exterior boundaries of the Rincon Reservation provided that such sale is in conformity with the laws of the State of California as required by federal law.

(b) The sale of alcoholic beverages by the drink at special events authorized by the Rincon Band shall be lawful within the exterior boundaries of the Rincon Reservation provided that such sales are in conformity with the laws of the State of California as required by federal law and with prior approval by resolution of the Tribal Council of the Rincon Band.

§ 7.406 Age Limit

(a) The drinking age within the exterior boundaries of the Rincon Reservation shall be the same as that of the State of California as required by federal law. No person under such age shall purchase, possess or consume any alcoholic beverage within the exterior boundaries of the Rincon Reservation.

(b) The State of California sets the drinking age within California under California Business and Professions Code § 25658. California's drinking age is twenty-one (21) at the time of the enactment of this Ordinance.

(c) At such time, if any, as California Business and Professions Code § 25658 is repealed or amended to raise or lower the drinking age within California, subsection (b) above shall automatically become null and void, and the Tribal Council shall be empowered to enact a new subsection (b) to reference the appropriate provision of the state law, such amendment to become effective upon publication in the **Federal Register** by the Secretary of the Interior.

§ 7.407 Civil Penalties

The Rincon Band, through its Tribal Council and duly authorized security personnel, shall have the authority to enforce this Ordinance by confiscating any alcohol manufactured, introduced, sold or possessed in violation hereof. The Tribal Council shall be empowered to sell such confiscated alcohol for the benefit of the Rincon Band, and to develop and approve such regulations as may become necessary for enforcement of this Ordinance.

§ 7.408 Severability

If any provision of this Ordinance or the application thereof to any person or circumstance is held unconstitutional or invalid by the Tribal Council, only the invalid provision shall be severed and the remaining provisions and language of this Ordinance shall remain in full force and effect.

§ 7.409 Sovereign Immunity

All inherent sovereign rights of the Band as a federally recognized Indian tribe with respect to provisions authorized in this Ordinance are hereby expressly reserved, including sovereign immunity from unconsented suit. Nothing in the Ordinance shall be deemed or construed to be a waiver of the Band's sovereign immunity from unconsented suit.

[FR Doc. 2018–00346 Filed 1–10–18; 8:45 am]

BILLING CODE 4337–15–P

FEDERAL REGISTER

Vol. 83 Thursday,

No. 8 January 11, 2018

Part III

Department of State

Office of the Chief of Protocol; Gifts to Federal Employees From Foreign Government Sources Reported to Employing Agencies in Calendar Year 2016; Notices

DEPARTMENT OF STATE

[Public Notice: 10266]

Office of the Chief of Protocol; Gifts to Federal Employees From Foreign Government Sources Reported to Employing Agencies in Calendar Year 2016

The Department of State submits the following comprehensive listing of the statements which, as required by law, federal employees filed with their employing agencies during calendar year 2016 concerning gifts received from foreign government sources. The compilation includes reports of both tangible gifts and gifts of travel or travel expenses of more than minimal value, as defined by the statute. Also included are gifts received in previous years including one gift in 1977, one gift in 2004, one gift in 2008, two gifts in 2010, two gifts in 2011, one gift in 2012, one gift in 2014, twenty-three gifts in 2015, and seven gifts with unknown dates. These latter gifts are being reported in 2016 as the Office of the Chief of Protocol, Department of State, did not receive the relevant information to include them in earlier reports. Any agency not listed in this report either did not receive any gifts during the calendar year or did not respond to the Office of the Chief of Protocol's call for data.

Publication of this listing in the **Federal Register** is required by Section 7342(f) of Title 5, United States Code, as added by Section 515(a)(1) of the Foreign Relations Authorization Act, Fiscal Year 1978 (Pub. L. 95–105, August 17, 1977, 91 Stat. 865).

Dated: December 22, 2017.

William E. Todd,

Acting Director General, U.S. Department of State.

AGENCY: THE WHITE HOUSE—EXECUTIVE OFFICE OF THE PRESIDENT

[Report of Tangible Gifts Furnished by the White House—Executive Office of the President]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
The Honorable Barack Obama, President of the United States.	36″ × 28″ framed facsimile letter to Abraham Lincoln, dated June 4, 1863, from Henry Parks and the people of Sydney, Australia. Billiards cue made of American and Australian wood in carrying case. Rec'd—1/19/2016. Est. Value—$515.00. Disposition—National Archives and Records Administration.	The Right Honorable Malcolm Turnbull, Prime Minister of Australia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	White linen set, hand-knit in the Ao po'i Paraguayan style, including large table cloth, two small table coverings, apron and napkins. Rec'd—1/28/2016. Est. Value—$560.00. Disposition—National Archives and Records Administration.	His Excellency German Rojas, Ambassador of the Republic of Paraguay to the United States.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Three bottles of Italian wine and carrier box, Florence-made, of maple and burgundy leather, with a reproduction of the lithograph *The Montecavallo Square* by Philippe Benoise. Rec'd—2/8/2016. Est. Value—$667.00. Disposition—National Archives and Records Administration. Wine handled pursuant to U.S. Secret Service policy.	His Excellency Sergio Mattarella, President of the Italian Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Wood presentation box with plaque, bronze clasp, and black felt interior. Book, title: *Malacanan Palace*. Rec'd—2/15/2016. Est. Value—$390.00. Disposition—National Archives and Records Administration.	His Excellency Benigno Aquino III, President of the Republic of the Philippines.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Silver betel set comprised of a box and four cups. Rec'd—2/15/2016. Est. Value—$1,150.00. Disposition—National Archives and Records Administration.	His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah, Sultan and Yang Di-Pertuan of Brunei Darussalam.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Chess board, white and brown mosaic checkerboard design, with full set of pieces. Rec'd—2/23/2016. Est. Value—$1,150.00. Disposition—National Archives and Records Administration.	His Majesty Abdullah II ibn Al Hussein, King of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: THE WHITE HOUSE—EXECUTIVE OFFICE OF THE PRESIDENT—Continued

[Report of Tangible Gifts Furnished by the White House—Executive Office of the President]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
The Honorable Barack Obama, President of the United States.	Soapstone sculpture, title: *Courage,* olive green with black flecks, depicting the profile of an eagle with half of an Indigenous man's face in the center. Rec'd—3/9/2016. Est. Value—$650.00. Disposition—National Archives and Records Administration.	His Excellency Justin Trudeau, P.C., M.P., Prime Minister of Canada.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Crystal bowl with etchings of the 1916 Easter Rebellion, the General Post Office and a passage from the proclamation of the Irish Republic. Book, title: *16.* Circular silver cufflinks with an Irish harp engraving. Rec'd—3/14/2016. Est. Value—$6,783.00. Disposition—National Archives and Records Administration.	His Excellency Enda Kenny, Prime Minister of Ireland.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Bust of Abraham Lincoln, hand carved from wood, clothed in double-breasted jacket and bow tie, cut roughly at the base as if from a tree and gradual smoothing to a polished sculpting at the top of his head. Cigar humidor made of wood in the shape of a house entitled ''La Casa de Tabaco''. Bottle of rum. 205 cigars. Cigar cutter. Two books, title: *Raul Castro.* Music CD. Rec'd—4/9/2015. Est. Value—$384.79. Disposition—National Archives and Records Administration. Cigars and rum handled pursuant to U.S. Secret Service policy.	His Excellency Raúl Castro Ruz, President of the Council of State and the Council of Ministers of the Republic of Cuba.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Electronic bicycle made of black metal. Rec'd—3/23/2016. Est. Value—$1,499.00. Disposition—National Archives and Records Administration.	His Excellency Mauricio Macri, President of the Argentine Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	White award in a silver tone frame with two plastic triangle decorations on the top and bottom. Golden key to the city of Buenos Aires. Red and white soccer jersey. Blue and white striped soccer jersey. Book, title: *La Usina Del Arte—Puesta en valor y reciclaje.* Book, title: *Teatro Colon—Puesta en valor y actualizacion tecnologica.* Rec'd—3/23/2016. Est. Value—$568.98. Disposition—National Archives and Records Adminsitration.	The Honorable Horacio Rodriguez Larreta, Chief of Government of the City of Buenos Aires, Argentine Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	48″ × 41″ framed painting in acrylic, title: *Peacock.* Rec'd—4/1/2016. Est. Value—$1,166.00. Disposition—National Archives and Records Administration.	His Excellency Narendra Modi, Prime Minister of the Republic of India.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: THE WHITE HOUSE—EXECUTIVE OFFICE OF THE PRESIDENT—Continued

[Report of Tangible Gifts Furnished by the White House—Executive Office of the President]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
The Honorable Barack Obama, President of the United States.	Fountain pen, blue with silver detailing. 18″ × 14″ framed oil painting depicting a woman looking at a mushroom cloud. Gift basket of food . Rec'd—4/4/2016. Est. Value—$3,615.82. Disposition—National Archives and Records Administration. Perishable items handled pursuant to U.S. Secret Service policy.	His Excellency Nursultan Nazarbayev, President of the Republic of Kazakhstan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Ballpoint pen, gold with a red jewel on the top, the initials "B.O" carved into the clip. Rec'd—4/4/2016. Est. Value—$520.00. Disposition—National Archives and Records Administration.	The Honorable George Hatzimarkos, Governor of the South Aegean Region, Hellenic Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	23″ × 19″ framed canvas painting of an Algerian horsemen with dogs and falcons in the desert. Rec'd—4/5/2016. Est. Value—$990.00. Disposition—National Archives and Records Adminstration.	His Excellency Abdelmalek Sellal, Prime Minister of the People's Democratic Republic of Algeria.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Silver business card holder in the shape of the Presidential Palace in Warsaw. Facsimile of 1550 Baltista Agnese Portolan Atlas, leather bound. Tin of Polish candy, snacks and cordials Book, title: *Polska*. Rec'd—4/7/2016. Est. Value—$865.31. Disposition—National Archives and Records Administration. Perishable items handled pursuant to U.S. Secret Service policy.	His Excellency Andrzej Duda, President of the Republic of Poland.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Wall hanging made from red Songket cloth. Rec'd—4/14/2016. Est. Value—$390.00. Disposition—National Archives and Records Administration.	The Honorable Muhammad Jusuf Kalla, Vice President of the Republic of Indonesia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Sculpture of a Bedouin group, entitled "The Small Caravan," including two men and three camels, painted in gold and silver and decorated with precious stones, mounted on green granite. Silver tone letter opener with golden Falcon handle and silver tone Chopard pen. Rec'd—4/21/2016. Est. Value—$56,720.00. Disposition—National Archives and Records Administration.	His Majesty King Salman bin Abdulaziz Al Saud, Custodian of the Two Holy Mosques, King of the Kingdom of Saudi Arabia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Two volume set: *The Works of Shakespeare,* bound in contemporary three-quarter red moroccan gilt: *Volume 1: Comedies and Histories* and *Volume 2: Tragedies, Poems, Plays Attributed to Shakespeare*. Rec'd—4/22/2016. Est. Value—$2,000.00. Disposition—National Archives and Records Administration.	The Right Honorable David Cameron, MP, Prime Minister of Great Britain and Northern Ireland.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: THE WHITE HOUSE—EXECUTIVE OFFICE OF THE PRESIDENT—Continued

[Report of Tangible Gifts Furnished by the White House—Executive Office of the President]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
The Honorable Barack Obama, President of the United States.	Pen, black cap with gold colored tip. Rec'd—4/24/2016. Est. Value—$444.00. Disposition—National Achives and Records Administration.	The Honorable Stefan Schostok, Mayor of Hannover, Federal Republic of Germany.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	82″ × 59″ rug with red, blue and mustard yellow design. Rec'd—5/5/2016. Est. Value—$780.00. Disposition—National Archives and Records Administration.	His Excellency Ilham Aliyev, President of the Republic of Azerbaijan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	39″ × 27″ framed artwork, natural gemstone inlaid picture of the Obama Family's Easter 2015 portrait. Rec'd—5/23/2016. Est. Value—$930.00. Disposition—National Archives and Records Administration.	His Excellency Tran Dai Quang, President of the Socialist Republic of Vietnam.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	China set, hand-painted tea cups and saucers, blue, white, silver and gold, accompanied by wood panel display about the tea set. Shoulder wrap, navy fabric. Two golf clubs, graphite irons. Rec'd—5/25/2016. Est. Value—$930.00. Disposition—National Archives and Records Administration.	The Honorable Eikei Suzuki, Governor of Mie Prefecture, Japan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Ceramic pot, dark brown with two cranes, made of clay from Hiroshima Prefecture. Rec'd—5/27/2016. Est. Value—$2,000.00. Disposition—National Archives and Records Administration.	The Honorable Hideniko Yuzaki, Governor of Hiroshima Prefecture, Japan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	28″ × 15″ framed painting, title: *I am You and You are Me,* depicting two circles with a red, black and white design. Book, title: *Ottawa.* Rec'd—6/28/2016. Est. Value—$775.00. Disposition—National Archives and Records Administration.	His Excellency Justin Trudeau, P.C., M.P., Prime Minister of Canada.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Cured hind ham leg with cutting knife. Rec'd—7/10/2016. Est. Value—$733.93. Disposition—National Archives and Records Administration. Ham handled pursuant to U.S. Secret Service policy.	His Excellency Mariano Rajoy, President of the Government of Spain.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	5′ × 4′ framed photograph of the Royal Palace. Book, title: *The Ingenious Hidalgo Don Quixote de la Mancha.* Book, title: *Madrid.* Rec'd—7/10/2016. Est. Value—$1,270.00. Disposition—National Archives and Records Administration. *The Ingenious Hidalgo Don Quixote de la Mancha* personally retained by recipient.	His Majesty Felipe VI, King of Spain.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: THE WHITE HOUSE—EXECUTIVE OFFICE OF THE PRESIDENT—Continued

[Report of Tangible Gifts Furnished by the White House—Executive Office of the President]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
The Honorable Barack Obama, President of the United States.	Silver coin engraved with the Great Seal of the United States. Stationery set including personalized cards, a pen, and wooden storage box carved with the Great Seal of the United States. Rec'd—7/22/2016. Est. Value—$2,850.00. Disposition—National Archives and Records Administration.	His Excellency Enrique Peña Nieto, President of the United Mexican States.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Seagreen celadon style vase with dragon and phoenix handles and wooden base. Rec'd—8/24/2016. Est. Value—$2,200.00. Disposition—National Archives and Records Administration.	His Excellency Xi Jinping, President of the People's Republic of China.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Wooden ceremonial paddle with Polynesian carvings. Rec'd—8/31/2016. Est. Value—$440.00. Disposition—National Archives and Records Administration.	His Excellency Édouard Fritch, President of French Polynesia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Silver serving set with repoussé metalwork designs, including a large bowl and five small containers with lids. Rec'd—9/6/2016. Est. Value—$1,200.00. Disposition—National Archives and Records Administration.	His Excellency Bounnhang Vorachit, President of the Lao People's Democratic Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Black leather business portfolio notebook. Black fine tip Sonnet pen. Paper hand fan. Briefcase, dark brown leather with combination lock. Goldtone coin. Laotian black tea. Rec'd—9/7/2016. Est. Value—$458.82. Disposition—National Archives and Records Administration. Tea handled pursuant to U.S. Secret Service policy.	ASEAN Organizing Committee for the Lao People's Democratic Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Silver Phinisi sailing boat scuplture on a wood plinth, under a glass case. Rec'd—9/8/2016. Est. Value—$380.00. Disposition—National Archives and Records Administration.	His Excellency Joko Widodo, President of the Republic of Indonesia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Metallic sculpture of six men carrying a boat, in Bayanihan style, mounted on marble. Rec'd—9/8/2016. Est. Value—$470.00. Disposition—National Archives and Records Administration.	His Excellency Rodrigo Duterte, President of the Republic of the Philippines.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	6″ silver plate with wood stand. Five cases of Lao Gold beer. Rec'd—9/8/2016. Est. Value—$415.00. Disposition—National Archives and Records Administration. Beer handled pursant to U.S. Secret Service policy.	His Excellency Thongloun Sisoulith, Prime Minister of the Lao People's Democratic Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Vase, dark blue with engraved swirl pattern, pink flowers, green leaves and hummingbirds, on a wooden stand. Rec'd—9/19/2016. Est. Value—$2,200.00. Disposition—National Archives and Records Administration.	His Excellency Li Keqiang, Premier of the State Council of the People's Republic of China.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: THE WHITE HOUSE—EXECUTIVE OFFICE OF THE PRESIDENT—Continued

[Report of Tangible Gifts Furnished by the White House—Executive Office of the President]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
The Honorable Barack Obama, President of the United States.	Book, title: *Acuerdo Final Para la Terminacion del Conflicto y la Construccion de una Paz, Estable y Duradera.* Book set of titles by Gabriel Garcia Marquez. Rec'd—9/21/2016. Est. Value—$520.00. Disposition—National Archives and Records Administration.	His Excellency Juan Manuel Santos Calderón, President of the Republic of Colombia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Polished silver keepsake box with red-brown marble interior. Rec'd—9/29/2016. Est. Value—$900.00. Disposition—National Archives and Records Administration.	His Excellency General Prayut Chan-o-cha, Prime Minister of the Kingdom of Thailand.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Red quilted blanket with embroidery in blue, green, and yellow, depicting human figures, plant life, and nature scenes. Rec'd—10/11/2016. Est. Value—$390.00. Disposition—National Archives and Records Administration.	Her Excellency Sheikh Hasina, Hon'ble Prime Minister of the People's Republic of Bangladesh.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Silk tie, navy with red and light blue dots. Four bottles of Italian wine. Rec'd—10/18/2016. Est. Value—$775.33. Disposition—National Archives and Records Administration. Wine transferred to Residence Cellar.	His Excellency Matteo Renzi, Prime Minister of the Italian Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Keepsake box, polished metal with hinged lid. 16″ × 23″ print of a color drawing of the President's face, using phrenology, including an explanation of the facial features. 11″ × 16″ print of a color drawing of the President's face, using phrenology. 17″ × 25″ framed print of a color drawing of the President's face, using phrenology, including explanations for the facial features. Rec'd—11/15/2016. Est. Value—$465.00. Disposition—National Archives and Records Administration.	His Excellency Prokopis Pavlopoulos, President of Hellenic Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Wooden Christmas pyramid comprised of five levels and figures on each level, comes with tea candles and paddles. Rec'd—11/16/2016. Est. Value—$455.00. Disposition—National Archives and Records Administration.	Her Excellency Angela Merkel, Chancellor of the Federal Republic of Germany.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Wooden horse with polished metal features, including the mane, bridle, saddle, hooves and tail. Gift box of Peruvian food. Rec'd—11/17/2016. Est. Value—$545.47. Disposition—National Archives and Records Administration. Food handled pursuant to U.S. Secret Service policy.	His Excellency Pedro Kuczynski, President of the Republic of Peru.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: THE WHITE HOUSE—EXECUTIVE OFFICE OF THE PRESIDENT—Continued

[Report of Tangible Gifts Furnished by the White House—Executive Office of the President]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
The Honorable Barack Obama, President of the United States.	Book, title: *Sinatra*. Glass champagne bucket and silver stand. Picture frame, silver, with textured edges. Card and dice game set in wooden box. Wooden keepsake box with Susan B. Anthony quote engraved on top and felt interior. Metal lapel pin in shape of a pennant. Three-wick candle in brown wooden candle holder. Book, title: *Taste and Technique*. Rec'd—12/1/2016. Est. Value—$2,734.96. Disposition—National Archives and Records Administration.	His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah, Sultan and Yang Di-Pertuan of Brunei Darussalam.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Cufflinks, 4 white pearls on polished silver. Rec'd—12/27/2016. Est. Value—$2,850.00. Disposition—National Archives and Records Administration.	His Excellency Shinzo Abe, Prime Minister of Japan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States.	Two cases of Algerian wine. Two cases of Algerian dates. Rec'd—12/29/2016. Est. Value—$951.56. Disposition—Handled pursuant to U.S. Secret Service policy.	His Excellency Abdelaziz Bouteflika, President of the Democratic Republic of Algeria.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States, and Mrs. Michelle Obama, First Lady of the United States.	Circular tray depicting three Egyptian women playing musical instruments under the sun. Rec'd—2/12/2016. Est. Value—$550.00. Disposition—National Archives and Records Administration.	His Excellency Abdel Fattah Al-Sisi, President of the Arab Republic of Egypt.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States, and Mrs. Michelle Obama, First Lady of the United States.	Purse made of silver in intricate floral design, with handle. Silver bowl in thistle shape with floral and Buddha decoration. Silver bowl embossed with floral pattern with pointed lid. Rec'd—2/15/2016. Est. Value—$4,200.00. Disposition—National Archives and Records Administration.	His Excellency U Nyan Tun, Vice President of the Republic of the Union of Myanmar.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States, and Mrs. Michelle Obama, First Lady of the United States.	Framed inscribed photograph of President Niinisto and his spouse. Smart watch, copper and black metal. Lamp, white glass in hour-glass shape. Rec'd—5/12/2016. Est. Value—$2,077.49. Disposition—National Archives and Records Administration.	His Excellency Sauli Niinistö, President of the Republic of Finland.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States, and Mrs. Michelle Obama, First Lady of the United States.	Book, title: *The Complete Sagas of Icelanders.* Book, title: *Behind the Mountains.* Book, title: *Last Days of the Arctic*. Rec'd—5/12/2016. Est. Value—$984.90. Disposition—National Archives and Records Administration.	His Excellency Sigmundur David Gunnlaugsson, Prime Minister of the Republic of Iceland.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: THE WHITE HOUSE—EXECUTIVE OFFICE OF THE PRESIDENT—Continued

[Report of Tangible Gifts Furnished by the White House—Executive Office of the President]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
The Honorable Barack Obama, President of the United States, and Mrs. Michelle Obama, First Lady of the United States.	Brooch, gold circle with floral pattern and gemstones. 22″ × 15″ framed watercolor painting of Balestier Road scene. Drawing, title: ''Gardens by the Bay'', in gold marker. Coffee set with mugs and espresso cups. *Dendrobium Barack and Michelle Obama,* hybrid orchid with garden plaque and information booklet. Scarf in Aqua Peranakan style, featuring hybrid orchid design. Rec'd—8/1/2016. Est. Value—$5,353.78. Disposition—National Archives and Records Administration.	His Excellency Lee Hsien Loong, Prime Minister of the Republic of Singapore.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Barack Obama, President of the United States, and Mrs. Michelle Obama, First Lady of the United States.	Navy silk tie with light blue flower pattern. Silver jewelry inspired by Azerbaijani rug design, including ring and earrings. Rec'd—12/16/2016. Est. Value—$380.00. Disposition—National Archives and Records Administration.	His Excellency Elin Suleymanov, Ambassador of the Republic of Azerbaijan to the United States.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mrs. Michelle Obama, First Lady of the United States.	Gift basket with flowers and chocolate. Rec'd—1/19/2016. Est. Value—$2,773.00. Disposition—Perishable items handled pursuant to U.S. Secret Service policy.	His Majesty Mohammed VI, King of Morocco.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mrs. Michelle Obama, First Lady of the United States.	Oval serving bowl made from albacore shells with silver trim and gemstones. Wooden storage box with red, maroon, and gold-colored designs and cloth interior. Lace table runner. Rec'd—2/15/2016. Est. Value—$1,595.00. Disposition—National Archives and Records Administration.	His Excellency Joko Widodo, President of the Republic of Indonesia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mrs. Michelle Obama, First Lady of the United States.	Cape, navy wool blended cashmere, handstitched with floral designs. Rec'd—3/10/2016. Est. Value—$490.00. Disposition—National Archives and Records Administration.	His Excellency Justin Trudeau, P.C., M.P., Prime Minister of Canada.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mrs. Michelle Obama, First Lady of the United States.	Silver ring with gold studs, faceted by emerald and diamond. Irish food gift basket. Rec'd—3/14/2016. Est. Value—$548.75. Disposition—National Archives and Records Administration. Perishable items handled pursuant to U.S. Secret Service policy.	His Excellency Enda Kenny, Prime Minister of Ireland.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mrs. Michelle Obama, First Lady of the United States.	Large ceramic plate with a drawing by renowned Cuban artist. White linen dress. Rec'd—3/21/2016. Est. Value—$1,190.00. Disposition—National Archives and Records Administration.	His Excellency Raúl Castro Ruz, President of the Council of State and the Council of Ministers of the Republic of Cuba.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mrs. Michelle Obama, First Lady of the United States.	Silver bracelet. Shawl in varying shades of tan with fringes on all edges. Rec'd—3/23/2016. Est. Value—$495.00. Disposition—National Archives and Records Administration.	Mrs. Juliana Awada, First Lady of the Argentine Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: THE WHITE HOUSE—EXECUTIVE OFFICE OF THE PRESIDENT—Continued

[Report of Tangible Gifts Furnished by the White House—Executive Office of the President]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Mrs. Michelle Obama, First Lady of the United States.	Fountain pen, black composite with golden finish details, the initials ''M.O.'' carved into the clip. Rec'd—4/4/2016. Est. Value—$720.00. Disposition—National Archives and Records Administration.	The Honorable George Hatzimarkos, Governor of the South Aegean Region, Hellenic Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mrs. Michelle Obama, First Lady of the United States.	Jewelry set including a green silver pearl necklace with pendant and a pair of carved pearl earrings with diamonds. Two lacquer keepsake boxes with painted pink lotus blossom. Dress, steel-grey with beaded and painted lotus. Scarf, seafoam green with painted lotus. High-waisted pants, cream color. Scarf, red silk with yellow beads. Rec'd—5/25/2016. Est. Value—$9,845.00. Disposition—National Archives and Records Administration.	Mr. Nguyen Vu Tu, Director General, Department of External Relations, Ho Chi Minh City, Socialist Republic of Vietnam.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mrs. Michelle Obama, First Lady of the United States.	Large quilt with yellow and blue striped pattern and African continent in the center. Red and blue striped wicker basket. Rec'd—6/27/2016. Est. Value—$735.00. Disposition—National Archives and Records Administration.	Her Excellency Ellen Johnson Sirleaf, President of the Republic of Liberia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mrs. Michelle Obama, First Lady of the United States.	Two crystal bottles, one green and one clear, decorated by a small etching of a motif from Hieronymus Bosch's triptych ''The Garden of Earthly Delights''. Book, title: *Bosch Museo Nacional Del Prado.* Gift basket of vegetables from the Royal House Garden. Rec'd—6/28/2016. Est. Value—$399.99. Disposition—National Archives and Records Administration. Perishable items handled pursuant to U.S. Secret Service policy.	His Excellency Xi Jinping, President of the People's Republic of China.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mrs. Michelle Obama, First Lady of the United States.	Slipper wallet, black leather and plastic with ring design. Handbag, black leather and plastic with ring design. Rec'd—8/10/2016. Est. Value—$511.36. Disposition—National Archives and Records Administration.	Mr. Rodger Cuzner, Member of Parliament, House of Commons, Canada.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mrs. Michelle Obama, First Lady of the United States.	Tapestry and matching cushion cases, made of silk and depicting scenes from ancient China, comes in red silk container. Rec'd—8/26/2016. Est. Value—$470.00. Disposition—National Archives and Records Administration.	Madam Peng Liyuan, First Lady of the People's Republic of China.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mrs. Michelle Obama, First Lady of the United States.	Silver chalice with lid, repoussé metalwork of intricate flower design. Rec'd—9/4/2016. Est. Value—$1,100.00. Disposition—National Archives and Records Administration.	Her Excellency Daw Aung San Suu Kyi, State Counsellor and Minister of Foreign Affairs of the Republic of the Union of Myanmar.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: THE WHITE HOUSE—EXECUTIVE OFFICE OF THE PRESIDENT—Continued

[Report of Tangible Gifts Furnished by the White House—Executive Office of the President]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Mrs. Michelle Obama, First Lady of the United States.	Shoulder wrap, yellow and blue checker pattern. Real wax block print, turquoise, brown, green, and white designs. Real wax block print, turquoise, brown, purple, and white designs. Book, title: *Touching Lives*. Rec'd—9/19/2016. Est. Value—$386.00. Disposition—National Archives and Records Administration.	Mrs. Lordina Mahama, Spouse of the President of Ghana.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mrs. Michelle Obama, First Lady of the United States.	Bangle, gold-plated with three rows of a swirl design. Earrings, gold-plated brass that clip on, with plastic floral accents. Earrings, black clip-on with crystal accents and tassels. Earrings, gold-plated brass that clip on, with black crystal accents and tassels. Rec'd—9/19/2016. Est. Value—$911.00. Disposition—National Archives and Records Administration.	Mrs. María Clemencia Rodríguez de Santos, Spouse of the President of the Republic of Colombia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mrs. Michelle Obama, First Lady of the United States.	Clutch, pink-red with small dots and shoulder strap. Silk scarf, purple Kahari pattern. Rec'd—9/19/2016. Est. Value—$377.00. Disposition—National Archives and Records Administration.	Mrs. Monica Geingos, First Lady of the Republic of Namibia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mrs. Michelle Obama, First Lady of the United States.	Polished silver keepsake box with red-brown marble interior. Rec'd—9/29/2016. Est. Value—$900.00. Disposition—National Archives and Records Administration.	His Excellency General Prayut Chan-o-cha, Prime Minister of the Kingdom of Thailand.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mrs. Michelle Obama, First Lady of the United States.	Jewelry box, polished wood with suede interior. Scarf, blue with images of golden pocket watches. Book, title: *Florence.* Book, title: *Ti Amo Italia*. Rec'd—10/17/2016. Est. Value—$480.00. Disposition—National Archives and Records Administration.	Mrs. Agnese Landini, Spouse of the Prime Minister of the Italian Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mrs. Michelle Obama, First Lady of the United States.	Cashmere blanket and sweater. Two fashion company magazines. Rec'd—11/14/2016. Est. Value—$1,165.96. Disposition—National Archives and Records Administration.	Mrs. Bronagh Key, Spouse of the Prime Minister of New Zealand.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Family	Two linen dresses. Two 28″ × 15″ prints of a female face on distressed paper. Cuban music collection on CD. Rec'd—3/21/2016. Est. Value—$1,164.78. Disposition—National Archives and Records Administration.	His Excellency Raúl Castro Ruz, President of the Council of State and the Council of Ministers of the Republic of Cuba.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Family	Two Argentina National Football Team jerseys signed by Lionel Messi. Rec'd—4/1/2016. Est. Value—$1,700.00. Disposition—National Archives and Records Administration.	His Excellency Mauricio Macri, President of the Argentine Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: THE WHITE HOUSE—EXECUTIVE OFFICE OF THE PRESIDENT—Continued

[Report of Tangible Gifts Furnished by the White House—Executive Office of the President]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
First Family	Two sets of makeup brushes. Rec'd—5/27/2016. Est. Value—$772.36. Disposition—National Archives and Records Administration.	The Honorable Hiroshi Mimura, Mayor of Kumano, Hiroshima Prefecture, Japan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Family	Brooch, gold-plated ornate flower with diamonds and rubies. Gold clutch with an intricate design and clasp with diamonds and emeralds. Three-tier silver diamond earrings. Gold teardrop earrings with diamonds and emeralds. Rec'd—6/27/2016. Est. Value—$101,200.00. Disposition—National Archives and Records Administration.	His Majesty Mohammed VI, King of Morocco.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Family	Split cowhide bag with gold metallic strap and multi-chain pompom. Brown oval-shaped calfskin bag with gold chain strap and leather pompom. Rec'd—7/28/2016. Est. Value—$610.00. Disposition—National Archives and Records Administration.	His Majesty Felipe VI, King of Spain.	Non-acceptance would cause embarrassment to donor and U.S. Government.
White House Staff Member, Ben Rhodes.	Ten cigars. Silver jewlery set with purple gemstones, including earrings and necklace. Music CD. Rec'd—2/8/2016. Est. Value—$670.00. Disposition—Transferred to General Services Administration. Cigars handled pursuant to U.S. Secret Service policy.	Government of the Republic of Cuba.	Non-acceptance would cause embarrassment to donor and U.S. Government.
White House Staff Member, Casey Mace.	Black pen/pencil with gold tone palace on the top. Book, title: *His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah—Sultan and Yang Di-Pertuan of Brunei Darussalam*. Rec'd—2/15/2016. Est. Value—$450.00. Disposition—Transferred to General Services Administration.	His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah, Sultan and Yang Di-Pertuan of Brunei Darussalam.	Non-acceptance would cause embarrassment to donor and U.S. Government.
White House Staff Member, Daniel Kritenbrink.	Black pen/pencil with gold tone palace on the top. Book, title: *His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah—Sultan and Yang Di-Pertuan of Brunei Darussalam*. Rec'd—2/15/2016. Est. Value—$450.00. Disposition—Transferred to General Services Administration.	His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah, Sultan and Yang Di-Pertuan of Brunei Darussalam.	Non-acceptance would cause embarrassment to donor and U.S. Government.
White House Staff Member, Ben Rhodes.	Statue of two oryx, painted gold, on a green marble base. Rec'd—4/20/2016. Est. Value—$2,400.00. Disposition—Transferred to General Services Administration.	His Majesty King Salman bin Abdulaziz Al Saud, Custodian of the Two Holy Mosques, King of the Kingdom of Saudi Arabia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
White House Staff Member, Jeff Prescott.	Statue of gold tone palm trees and two camels on a green marble base. Rec'd—4/20/2016. Est. Value—$2,100.00. Disposition—Transferred to General Services Administration.	His Majesty King Salman bin Abdulaziz Al Saud, Custodian of the Two Holy Mosques, King of the Kingdom of Saudi Arabia.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: THE WHITE HOUSE—EXECUTIVE OFFICE OF THE PRESIDENT—Continued

[Report of Tangible Gifts Furnished by the White House—Executive Office of the President]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
White House Staff Member, Lisa Monaco.	Oud (fragrance) holder in chalice shape with decorative gold tone plating and stones. Rec'd—4/20/2016. Est. Value—$950.00. Disposition—Transferred to General Services Administration.	His Royal Highness Salman bin Abd al-Aziz Al Saud, Custodian of the Two Holy Mosques, King of the Kingdom of Saudi Arabia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
White House Staff Member, Sean Misko.	Sculpture of oryx sitting under a palm tree, painted in gold, on green marble. Rec'd—4/20/2016. Est. Value—$3,000.00. Disposition—Transferred to General Services Administration.	His Majesty King Salman bin Abdulaziz Al Saud, Custodian of the Two Holy Mosques, King of the Kingdom of Saudi Arabia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
White House Staff Member, Susan Rice.	Sculpture of oryx in front of an carved crystal, on a mother-of-pearl base. Rec'd—4/20/2016. Est. Value—$3,200.00. Disposition—Transferred to General Services Administration.	His Majesty King Salman bin Abdulaziz Al Saud, Custodian of the Two Holy Mosques, King of the Kingdom of Saudi Arabia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
White House Staff Member, Jo Handelsman.	Pearl necklace with flower-shaped silver clasp. Vase, ceramic with metallic overlay. Sake glass, translucent pink crystal. 23″ × 14″ framed painting of a rainbow going over a blue mountain and brown cottages. Rec'd—5/17/2016. Est. Value—$1,326.90. Disposition—Transferred to General Services Administration.	Ms. Aiko Shimajiri, Minister of State for Science and Technology Policy of Japan.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF STATE

[Report of Tangible Gifts and Travel Furnished by the Department of State]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
The Honorable Henry Kissinger, Secretary of State of the United States.	3′ × 5′ framed oil painting depicting flowers in a blue and white vase. Rec'd—2/2/1977. Est. Value—$450.00. Disposition—Retained for official display.	Ambassador of the Union of Soviet Socialist Republics to the United States.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Colin Powell, Secretary of State of the United States.	Floral light green vase. Rec'd—10/26/2004. Est. Value—$420.00. Disposition—Transferred to General Service Administration.	His Excellency Chung Dong-young, Minister of Unification of the Republic of Korea.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John Kerry, Secretary of State of the United States.	Silver and bronze coin set featuring the King and Queen on one side and Petra on the reverse. Various meats and cheeses from the King's ranch in Jordan. Rec'd—1/11/2016. Est. Value—$866.00. Disposition—Coin set transferred to General Services Administration. Perishable items handled pursuant to guidelines set for by General Services Administration.	His Majesty King Abdullah II ibn Al Hussein, King of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John Kerry, Secretary of State of the United States.	Silver repoussé chalice with diety figures in a presentation case. Rec'd—1/25/2016. Est. Value—$780.00. Disposition—Transferred to General Services Administration.	His Excellency Thongloun Sisoulith, Deputy Prime Minister and Minister of Foreign Affairs of the Lao People's Democratic Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF STATE—Continued

[Report of Tangible Gifts and Travel Furnished by the Department of State]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
The Honorable John Kerry, Secretary of State of the United States.	Pure wagyu meat from the Royal Farms in Jordan. Rec'd—3/10/2016. Est. Value—$399.42. Disposition—Perishable items handled pursuant to guidelines set for by General Services Administration.	His Majesty King Abdullah II ibn Al Hussein, King of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John Kerry, Secretary of State of the United States.	Metal brass platter detailed with intricate design and turquoise enameled glass dome lid. Rec'd—3/28/2016. Est. Value—$390.00. Disposition—Retained for official display in the U.S. Diplomacy Center.	His Excellency Mevlüt Çavuşoğlu, Minister of Foreign Affairs of the Republic of Turkey.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John Kerry, Secretary of State of the United States.	Large framed oil painting depicting an Algerian on a horse holding a falcon in the desert. Rec'd—4/5/2016. Est. Value—$450.00. Disposition—Transferred to General Services Administration.	His Excellency Abdelmalek Sellal, Prime Minister of the People's Democratic Republic of Algeria.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John Kerry, Secretary of State of the United States.	Desk clock and matching pen. Rec'd—4/7/2016. Est. Value—$1,290.00. Disposition—Transferred to General Services Administration.	His Majesty Hamad bin Isa Al-Khalifa, King of the Kingdom of Bahrain.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John Kerry, Secretary of State of the United States.	Oud instrument. Rec'd—4/8/2016. Est. Value—$500.00. Disposition—Retained for official display at the U.S. Diplomacy Center.	His Royal Highness Salman bin Hamad bin Isa Al Khalifa, Crown Prince of the Kingdom of Bahrain.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John Kerry, Secretary of State of the United States.	43″ × 63″ green, gold, and brown Afghan rug. Rec'd—4/9/2016. Est. Value—$1,200.00. Disposition—Transferred to General Services Administration.	His Excellency Dr. Abdullah Abdullah, Chief Executive of the Islamic Republic of Afghanistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John Kerry, Secretary of State of the United States.	Copper plate featuring skyline of Hiroshima. Black Issey Miyake watch. Rec'd—4/10/2016. Est. Value—$685.00. Disposition—Transferred to General Services Administration.	The G7 Hiroshima Foreign Ministerial Meeting Support and Promotion Committee, Japan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John Kerry, Secretary of State of the United States.	Sailor pen. Toho Ota glass. Kamotsuru sake. Rec'd—4/10/2016. Est. Value—$1,015.00. Disposition—Transferred to General Services Administration. Sake handled pursuant to the guidelines set forth by the General Services Administration.	His Excellency Fumio Kishida, Minister of Foreign Affairs of Japan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John Kerry, Secretary of State of the United States.	Sinclair Rosemary Harding Great Wheel clock. Rec'd—4/20/2016. Est. Value—$15,030.00. Disposition—Transferred to General Services Administration.	His Majesty Salman bin Abdulaziz Al Saud, Custodian of the Two Holy Mosques, King of the Kingdom of Saudi Arabia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John Kerry, Secretary of State of the United States.	Leather desk writing pad with silver ornamental detailing. Rec'd—6/4/2016. Est. Value—$490.00. Disposition—Retained for official display by the U.S. Diplomacy Center.	The Honorable Susana Malcorra, Minister of Foreign Affairs of the Argentine Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF STATE—Continued

[Report of Tangible Gifts and Travel Furnished by the Department of State]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
The Honorable John Kerry, Secretary of State of the United States.	Framed brush work artwork by L. Amarsanaa depicting a horsehead fiddle and calligraphy. Rec'd—6/6/2016. Est. Value—$390.00. Disposition—Transferred to General Services Administration.	His Excellency Lumdeg Purevsuren, Minister of Foreign Affairs of Mongolia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John Kerry, Secretary of State of the United States.	Bronze sculpture of a Mongolian horseman on horseback. Rec'd—6/6/2016. Est. Value—$2,200.00. Disposition—Purchased by the recipient.	His Excellency Tsakhia Elbegdorj, President of Mongolia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John Kerry, Secretary of State of the United States.	''The Palace Museum'' yellow tie. Ceramic platter depicting Secretary Kerry. Silk swathe. Rec'd—6/7/2016. Est. Value—$440.00. Disposition—Transferred to General Services Administration.	Her Excellency Liu Yandong, Vice Premier of the People's Republic of China.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John Kerry, Secretary of State of the United States.	Brown leather Blue Diamond briefcase with ASEAN logo. Black leather padfolio. Parker pen. Rec'd—7/25/2016. Est. Value—$417.00. Disposition—Transferred to General Services Administration.	The Association for South East Asian Nations (ASEAN) Organizing Committee.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John Kerry, Secretary of State of the United States.	Vase with traditional repoussé made from silver mined in Uzbekistan. Rec'd—8/2/2016. Est. Value—$1,100.00. Disposition—Transferred to General Services Administration.	His Excellency Abdulaziz Kamilov, Minister of Foreign Affairs of the Republic of Uzbekistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John Kerry, Secretary of State of the United States.	Round marble plate with floral medallions and Secretary Kerry's photo in the center. Rec'd—8/3/2016. Est. Value—$440.00. Disposition—Transferred to General Services Administration.	His Excellency Sirojidin Aslov, Minister of Foreign Affairs of the Republic of Tajikistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John Kerry, Secretary of State of the United States.	Print by Artist Ann Reynolds. Book, title: *Palacio Itamarty, Brasilia—Rio de Janiero.* Rec'd—8/15/2016. Est. Value—$2,545.00. Disposition—Transferred to General Services Administration.	His Excellency Jose Serra, Minister of Foreign Relations of the Federative Republic of Brazil.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John Kerry, Secretary of State of the United States.	Brown seating mat with three matching cushions. Rec'd—9/21/2016. Est. Value—$630.00. Disposition—Transferred to General Services Administration.	Professor Nuhu O. Yaqub, Vice Chancellor of the Sokoto State University of the Federal Republic of Nigeria.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John Kerry, Secretary of State of the United States.	Brass inlayed wood chest. Silver-plated incense burner. Silver-plated sprinkler. Silver-plated pot. Two embroidered traditional men's garments. Rec'd—10/21/2016. Est. Value—$477.00. Disposition—Chest purchased by recipient. All other items transferred to General Services Administration.	His Excellency Sheikh Sabah Al-Khalid Al-Hamad Al-Sabah, First Deputy Prime Minister and Minister of Foreign Affairs of the State of Kuwait.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF STATE—Continued

[Report of Tangible Gifts and Travel Furnished by the Department of State]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
The Honorable John Kerry, Secretary of State of the United States.	Five neckties from E. Marmella. Dark brown and black fabric. Blue and black fabric. Rec'd—10/31/2016. Est. Value—$2,075. Disposition—Ties purchased by recipient. Fabrics transferred to General Services Administration.	His Excellency Sheikh Mohammad bin Abdulrahman bin Jassim Al-Thani, Minister of Foreign Affairs of the State of Qatar.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John Kerry, Secretary of State of the United States.	Silver model of Omani sailing vessel engraved "From YA to JFK." Picture with photo featuring Minister Alawi and Secretary Kerry in silver frame. Rec'd—11/15/2016. Est. Value—$930.00. Disposition—Transferred to General Services Administration.	His Excellency Yusuf bin Alawi bin Abdullah, Minister Responsible for Foreign Affairs of the Sultanate of Oman.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John Kerry, Secretary of State of the United States.	Hand-painted tea set. Rec'd—11/2016. Est. Value—$630.00. Disposition—Transferred to General Services Administration.	Government of the People's Republic of China.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John Kerry, Secretary of State of the United States.	Graf von Faber-Castell rollerball pen. Rec'd—12/7/2016. Est. Value—$450.00. Disposition—Transferred to General Services Administration.	His Excellency Jean Asselborn, Minister of Foreign Affairs of the Grand Duchy of Luxembourg.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John Kerry, Secretary of State of the United States.	Large white chest with gold detailing. Brass coffee service set with six small white porcelain cups. Various perishable items including figs and coffee. Rec'd—12/15/2016. Est. Value—$1,100.00. Disposition—Transferred to General Services Administration. Perishable items handled pursuant to the guidelines set forth by General Services Administration.	His Excellency Yousef Al Otaiba, Ambassador of the United Arab Emirates to the United States.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. Vladimir Medoev, Economic Specialist.	Tissot watch. Rec'd—6/29/2010. Est. Value—$585.00. Disposition—Pending transfer to General Services Administration.	Federal Antimonopoly Service of the Russian Federation.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Ms. Bonnie S. Gutman, Public Affairs Counselor.	Men's wrist watch. Rec'd—12/5/2010. Est. Value—$500.00. Disposition—Pending transfer to General Services Administration.	Dr. Majed Alharbi, Director of the King Abdullah Scholarship Program of the Ministry of Higher Education of the Kingdom of Saudi Arabia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Marc Grossman, Special Representatitve for Afghanistan and Pakistan.	Set of Mont Blanc limited-edition mark Twain pens. Rec'd—11/3/2011. Est. Value—$2,000.00. Disposition—Pending transfer to General Services Administration.	His Highness Sheikh Hamad bin Khalifa Al Thani, Emir of the State of Qatar.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Ms. Asel Roberts, Senior Protocol Officer.	Silver Tissot ladies' watch with metal band and black face. Rec'd—1/29/2016. Est. Value—$595.00. Disposition—Pending transfer to General Services Administration.	His Majesty King Abdullah II ibn Al Hussein, King of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable William Roebuck, Ambassador of the United States to the Kingdom of Bahrain.	Bahraini natural pearl single-row necklace. Rec'd—2/9/2016. Est. Value—$1,500.00. Disposition—Pending transfer to General Services Administration.	His Excellency Field Marshal Sheikh Khalifa bin Ahmed Al Khalifa, Commander-in-Chief of the Bahrain Defense Force.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF STATE—Continued

[Report of Tangible Gifts and Travel Furnished by the Department of State]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Mr. Timothy Pounds, Deputy Chief of Mission.	Bahraini natural pearl single-row necklace. Rec'd—2/9/2016. Est. Value—$1,420.00. Disposition—Pending transfer to General Services Administration.	His Excellency Field Marshal Sheikh Khalifa bin Ahmed Al Khalifa, Commander-in-Chief of the Bahrain Defense Force.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. Jason Meininger, Special Assistant to the Secretary of State.	8″ diamter lapis lazuli bowl. Rec'd—2/13/2016. Est. Value—$485.00. Disposition—Pending transfer to General Services Administration.	Mr. Assadullah Tarzi, Chief of Protocol of the Office of the Chief Executive of the Islamic Republic of Afghanistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. Jarrett Blanc, Deputy Lead Coordinator.	Lapis lazuli schale teller bowl. Rec'd—2/23/2016. Est. Value—$485.00. Disposition—Pending transfer to General Services Administration.	Mr. Mohammad Hanif Atmar, National Security Advisor of the Islamic Republic of Afghanistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Ambassador Peter Selfridge, Chief of Protocol.	Desk piece with two oryx butting heads and a clock between them. Rec'd—2/25/2016. Est. Value—$1,200.00. Disposition—Pending transfer to General Services Administration.	His Excellency Mohammed Jaham Al Kuwari, Ambassador of the State of Qatar to the United States.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Ms. Katrina Reichmein, Jordan Desk Officer.	Tissot ladies' watch. Rec'd—2/29/2016. Est. Value—$2,175.00. Disposition—Pending transfer to General Services Administration.	His Majesty King Abdullah II ibn Al Hussein, King of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Ambassador Peter Selfridge, Chief of Protocol.	Tag Heuer watch and watch winder. Rec'd—2/29/2016. Est. Value—$9,150.00. Disposition—Pending transfer to General Services Administration.	His Majesty King Abdullah II ibn Al Hussein, King of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Ms. Barbara Jones, Wife of the Ambassador of the United States to the Republic of Iraq.	Gold and silver bracelet with lattice and etching. Rec'd—3/1/2016. Est. Value—$2,100.00. Disposition—Pending transfer to General Services Administration.	Mr. Talib al-Kinani, Commander of the Iraq Counter Terrorism Service.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Ms. Asel Roberts, Senior Protocol Officer.	Longines silver watch. Rec'd—3/8/2016. Est. Value—$1,050.00. Disposition—Pending transfer to General Services Administration.	His Majesty King Abdullah II ibn Al Hussein, King of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Ms. Katrina Reichmein, Jordan Desk Officer.	Longines ladies' watch. Rec'd—4/9/2016. Est. Value—$950.00. Disposition—Pending transfer to General Services Administration.	His Majesty King Abdullah II ibn Al Hussein, King of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Ms. Asel Roberts, Senior Protocol Officer.	Swiss military watch by Chrono. Rec'd—4/11/2016. Est. Value—$525.00. Disposition—Pending transfer to General Services Administration.	His Majesty King Abdullah II ibn Al Hussein, King of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Ms. Natalie Jones, Deputy Chief of Protocol.	Swiss military watch by Chrono. Rec'd—4/11/2016. Est. Value—$525.00. Disposition—Pending transfer to General Services Administration.	His Majesty King Abdullah II ibn Al Hussein, King of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Ms. Samantha Tubman, Assistant Chief of Protocol.	Swiss military watch by Chrono. Rec'd—4/11/2016. Est. Value—$525.00. Disposition—Pending transfer to General Services Administration.	His Majesty King Abdullah II ibn Al Hussein, King of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. Araz Pourmorad, Protocol Officer.	Tissot men's watch. Rec'd—4/11/2016. Est. Value—$495.00. Disposition—Pending transfer to General Services Administration.	His Majesty King Abdullah II ibn Al Hussein, King of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF STATE—Continued

[Report of Tangible Gifts and Travel Furnished by the Department of State]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Ambassador Peter Selfridge, Chief of Protocol.	Omega watch in wood presentation box. Rec'd—4/11/2016. Est. Value—$2,750.00. Disposition—Pending transfer to General Services Administration.	His Majesty King Abdullah II ibn Al Hussein, King of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Ms. Amy Rosenfield, Protocol Officer.	Silver Tissot watch with seal of the King embossed at the top of the watch face. Rec'd—4/19/2016. Est. Value—$635.00. Disposition—Pending transfer to General Services Administration.	His Majesty King Abdullah II ibn Al Hussein, King of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Dan Smith, Assistant Secretary of State for Intelligence and Research.	Model sailing boat with Kuwaiti flag encased in wooden box. Rec'd—5/4/2016. Est. Value—$400.00. Disposition—Pending purchase from General Services Administration.	Mr. Abdulaziz Al-Qadfan, First Secretary at the Embassy of the State of Kuwait.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. Joseph Semrad, Protocol Officer.	Bronze camel. Rec'd—5/5/2016. Est. Value—$445.00. Disposition—Purchased by recipient from General Services Administration.	Embassy of the United Arab Emirates.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. D. Bruce Wharton, Principal Deputy Assistant Secretary of State.	Mont Blanc leather briefcase. Mont blanc fine line ballpoint pen. Book, title: *Guelleh—A History of Djibouti.* Periodical, title: *The Report*. Rec'd—5/8/2016. Est. Value—$2,979.00. Disposition—Pending transfer to General Services Administration.	His Excellency Ismail Omar Guelleh, President of the Republic of Djibouti.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Stuart Jones, Ambassador of the United States to the Republic of Iraq.	Mont Blanc starwalker red gold resin fine line pen. Rec'd—6/1/2016. Est. Value—$400.00. Disposition—Pending transfer to General Services Administration.	Mr. Saleem al-Jabouri, Speaker of the Council of Representatives of the Republic of Iraq.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Richard H. Jones, Ambassador of the United States to the Republic of Lebanon.	Artisanal cutlery set by Haddad. Rec'd—6/10/2016. Est. Value—$1,800.00. Disposition—Pending transfer to General Services Administration.	The Honorable Walid Jumblatt, Member of Parliament of the Republic of Lebanon.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. Randy Bumgardner, Assistant Chief of Protocol and General Manager of Blair House.	Bronze statue of god Shiva. Rec'd—6/15/2016. Est. Value—$450.00. Disposition—Retained for official display.	His Excellency Narendra Modi, Prime Minister of the Republic of India.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Rose Gottemoeller, Under Secretary of State.	Tan handbag with black straps. Rec'd—7/6/2016. Est. Value—$2,000.00. Disposition—Pending transfer to General Services Administration.	Mr. Masood Ishan, Director General of the Islamic Republic of Pakistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable James Entwistle, Ambassador of the United States to the Federal Republic of Nigeria.	42″ × 60″ painting. 40″ × 32″ painting. Rec'd—7/21/2016. Est. Value—$1,590.00. Disposition—Retained for official display.	Major General Babagana Monguno (rtd), National Security Advisor of the Federal Republic of Nigeria.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Embassy of the United States in the Kingdom of the Netherlands.	White ceramic tulip vase. Rec'd—7/28/2016. Est. Value—$385.00. Disposition—Retained for official display.	Mr. Han-Maurits Schaapveld, Director CPEU, Ministry of Foreign Affairs of the Kingdom of the Netherlands.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Blair House	Framed artwork, title: *Mini Emerald Hill* depicting a traditional shophouse entrance. Rec'd—8/2/2016. Est. Value—$400.00. Disposition—Retained for official display.	His Excellency and Mrs. Lee Hsien Loong, Prime Minister of the Republic of Singapore and Spouse.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF STATE—Continued

[Report of Tangible Gifts and Travel Furnished by the Department of State]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
The Honorable Tony Blinkin, Deputy Secretary of State.	Large white marble plate with center multi-colored flower design. Rec'd—8/4/2016. Est. Value—$460.00. Disposition—Pending transfer to General Services Administration.	His Excellency Sirojidin Aslov, Minister of Foreign Affairs of the Republic of Tajikistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. Kin W. Moy, Director of the American Institute in Taiwan.	Bronze statue of a baseball pitcher throwing a baseball. Rec'd—8/31/2016. Est. Value—$625.00. Disposition—Retained for official display.	Dr. Twu Shiing-jer, Mayor of Chiayi City Government, Taiwan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Lawrence Silverman, Ambassador of the United States to the State of Kuwait.	Set of 23 books from the Al-Sabah collection. Rec'd—10/12/2016. Est. Value—$460.00. Disposition—Retained for official display.	His Excellency Sheikh Nasser Sabah Al-Ahmed Al-Sabah, Minister of the Emiri Diwan Affairs of the State of Qatar.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. Stuart E. Jones, Prinicpal Deputy Assistant Secretary of State.	iPhone 7. Rec'd—12/7/2016. Est. Value—$970.00. Disposition—Pending transfer to General Services Administration.	Government of the United Arab Emirates.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Michael McKinley, Ambassador of the United States to the Islamic Republic of Afghanistan.	Hand-made Afghan silk and wool carpet. Rec'd—12/20/2016. Est. Value—$5,000.00. Disposition—Retained for official display.	The Honorable Atta Muhammad Noor, Governor of Balkh Province, Islamic Republic of Afghanistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Samantha Power, Ambassdor of the United States to the United Nations.	Two Hermes scarves. Rec'd—2016. Est. Value—$1,495.00. Disposition—Pending transfer to General Services Administration.	His Excellency François Delattre, Permanent Representative of the French Republic to the United Nations.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Department of State employee	Rado watch. Rec'd—Unknown. Est. Value—$690.00. Disposition—Pending transfer to General Services Administration.	Sheikh Jafaar Sheikh Mustafa, PUK Peshmerga 70th Unit Commander of the Kurdistan Regional Government.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Department of State employee	Sword with gilt handle in a black and gilt sheath. Rec'd—Unknown. Est. Value—$3,200.00. Disposition—Pending transfer to General Services Administration.	Government of the Sultanate of Oman.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Department of State employee	Light blue, light pink, and light green rug. Rec'd—Unknown. Est. Value—$600.00. Disposition—Retained for official use.	Foreign Government Official	Non-acceptance would cause embarrassment to donor and U.S. Government.
Department of State employee	Gold coin. Rec'd—Unknown. Est. Value—$790.00. Disposition—Pending transfer to General Services Administration.	Government of the Republic of El Salvador.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Paul Folmsbee, Ambassador of the United States to the Republic of Mali.	TRAVEL: Two nights of lodging. Rec'd—1/17–18/2016. Est. Value—$388.00.	Government of the People's Democratic Republic of Algeria.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

[Report of Tangible Gift and Gifts of Travel Furnished by the Administrative Office of the United States Courts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
The Honorable Justice Samuel A. Alito, Jr., Associate Justice, United States Supreme Court.	Hand-brushed Chinese calligraphy scroll. Rec'd—9/2016. Est. Value—more than $375. Disposition—U.S. Supreme Court Curator's Office.	Peking University School of Transnational Law, People's Republic of China.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS—Continued

[Report of Tangible Gift and Gifts of Travel Furnished by the Administrative Office of the United States Courts]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
The Honorable Kiyo Matsumoto, U.S. District Court Judge, Eastern District of New York.	TRAVEL: Round trip airfare, meals, lodging, and transportation within Japan. Rec'd—3/6–12/2016. Est. Value—$14,221.61.	Ministry of Foreign Affairs of Japan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Stephen P. Friot, U.S. District Court Judge, Western District of Oklahoma.	TRAVEL: Lecture, by invitation, at the Saratov State Law Academy. Rec'd—4/9–17/2016. Est. Value—$2,412.00.	Saratov State Law Academy, Saratov, Russian Federation.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: CENTRAL INTELLIGENCE AGENCY

[Report of Tangible Gifts and Gifts of Travel Furnished by the Central Intelligence Agency]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
The Honorable John O. Brennan, Director of the Central Intelligence Agency.	Frosted gold/opaque vase. Rec'd—1/20/2016. Est. Value—$1,500.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John O. Brennan, Director of the Central Intelligence Agency.	Remy Martin Louis XIII Grande Champagne Cognac. Rec'd—2/1/2016. Est. Value—$4,000.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John O. Brennan, Director of the Central Intelligence Agency.	Table clock encased in glass. Rec'd—2/1/2016. Est. Value—$1,000.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John O. Brennan, Director of the Central Intelligence Agency.	Carved religious sculpture. Rec'd—2/1/2016. Est. Value—$750.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John O. Brennan, Director of the Central Intelligence Agency.	Wood tray with grey base. Rec'd—2/3/2016. Est. Value—$700.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John O. Brennan, Director of the Central Intelligence Agency.	Siglo Rum. Rec'd—2/9/2016. Est. Value—$1,800.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John O. Brennan, Director of the Central Intelligence Agency.	Silver bracelet and earring set. Rec'd—2/9/2016. Est. Value—$400.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John O. Brennan, Director of the Central Intelligence Agency.	Cigars. Rec'd—2/9/2016. Est. Value—$500.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John O. Brennan, Director of the Central Intelligence Agency.	1962 Depoehm Liqueur. Rec'd—2/29/2016. Est. Value—$500.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: CENTRAL INTELLIGENCE AGENCY—Continued

[Report of Tangible Gifts and Gifts of Travel Furnished by the Central Intelligence Agency]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
The Honorable John O. Brennan, Director of the Central Intelligence Agency.	Stainless steel and marble desk clock. Rec'd—3/31/2016. Est. Value—$700.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John O. Brennan, Director of the Central Intelligence Agency.	Clear molded/frosted glass sculpture. Rec'd—4/26/2016. Est. Value—$1,500.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John O. Brennan, Director of the Central Intelligence Agency.	Fossil of a ray-guitar fish. Rec'd—5/12/2016. Est. Value—$2,500.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John O. Brennan, Director of the Central Intelligence Agency.	Silver model of a man on a tricycle with buggy. Rec'd—6/24/2016. Est. Value—$750.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John O. Brennan, Director of the Central Intelligence Agency.	Jewelry case. Rec'd—8/4/2016. Est. Value—$500.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John O. Brennan, Director of the Central Intelligence Agency.	Rug/runner. Rec'd—9/21/2017. Est. Value—$500.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John O. Brennan, Director of the Central Intelligence Agency.	Embossed silver pictorial tray. Rec'd—9/21/2016. Est. Value—$500.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John O. Brennan, Director of the Central Intelligence Agency.	Silver vase. Rec'd—9/27/2017. Est. Value—$1,500.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John O. Brennan, Director of the Central Intelligence Agency.	Lalique Kazakh horse. Rec'd—9/29/2016. Est. Value—$500.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John O. Brennan, Director of the Central Intelligence Agency.	Large mother of pearl plaque. Rec'd—11/9/2016. Est. Value—$1,500.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John O. Brennan, Director of the Central Intelligence Agency.	Silk rug. Rec'd—11/21/2016. Est. Value—$1,500.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable John O. Brennan, Director of the Central Intelligence Agency.	Soldier statue on a world globe. Rec'd—11/21/2016. Est. Value—$700.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable David S. Cohen, Deputy Director of the Central Intelligence Agency.	Bronze bust of a man. Rec'd—1/10/2016. Est. Value—$1,500.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable David S. Cohen, Deputy Director of the Central Intelligence Agency.	Oil portrait of a man. Rec'd—1/10/2016. Est. Value—$500.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: CENTRAL INTELLIGENCE AGENCY—Continued

[Report of Tangible Gifts and Gifts of Travel Furnished by the Central Intelligence Agency]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
The Honorable David S. Cohen, Deputy Director of the Central Intelligence Agency.	Mounted dagger in a frame. Rec'd—1/12/2016. Est. Value—$400.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
An Agency Employee	Gucci wrist watch. Rec'd—8/19/2014. Est. Value—$594.50. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
An Agency Employee	Cash. Rec'd—1/9/2015. Est. Value—$1,000.00. Disposition—Deposited with the Department of Treasury.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
An Agency Employee	Cash. Rec'd—1/9/2015. Est. Value—$1,000.00. Disposition—Deposited with the Department of Treasury.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
An Agency Employee	Cash. Rec'd—1/9/2015. Est. Value—$1,000.00. Disposition—Deposited with the Department of Treasury.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
An Agency Employee	Mont Blanc Johnathan Swift pen. Rec'd—3/26/2015. Est. Value—$800.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
An Agency Employee	Movado watch. Rec'd—3/28/2015. Est. Value—$1,650.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
An Agency Employee	Burberry watch. Rec'd—5/21/2015. Est. Value—$735.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
An Agency Employee	Breitling B–1 chronograph watch. Rec'd—8/5/2015. Est. Value—$2,423.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
An Agency Employee	Breitling colt wrist watch. Rec'd—8/10/2015. Est. Value—$2,175.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
An Agency Employee	Breitling colt wrist watch. Rec'd—8/10/2015. Est. Value—$2,175.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
An Agency Employee	Samsung smart phone. Rec'd—11/6/2015. Est. Value—$440.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
An Agency Employee	Tissot watch. Rec'd—11/8/2015. Est. Value—$850.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
An Agency Employee	One pair of diamond earrings, 1 carat each. Rec'd—12/2/2015. Est. Value—$1,600.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: CENTRAL INTELLIGENCE AGENCY—Continued

[Report of Tangible Gifts and Gifts of Travel Furnished by the Central Intelligence Agency]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
An Agency Employee	Raymond Weil watch. Rec'd—2/8/2016. Est. Value—$540.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
An Agency Employee	Raymond Weil watch. Rec'd—2/8/2016. Est. Value—$650.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
An Agency Employee	Four wooden boxes with perfumes. Rec'd—2/26/2016. Est. Value—$650.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
An Agency Employee	MTM watch. Rec'd—5/19/2016. Est. Value—$850.00. Disposition—Pending purchase by recipient from General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
An Agency Employee	Swiss Army watch. Rec'd—5/22/2016. Est. Value—$825.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
An Agency Employee	Victorinox watch. Rec'd—5/24/2016. Est. Value—$695.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
An Agency Employee	Silk rug. Rec'd—5/25/2016. Est. Value—$500.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
An Agency Employee	Victorinox watch. Rec'd—6/8/2016. Est. Value—$695.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
An Agency Employee	Tissot Powermatic watch. Rec'd—6/17/2016. Est. Value—$875.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
An Agency Employee	Salvatore Ferragamo watch. Rec'd—6/20/2016. Est. Value—$1,695.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
An Agency Employee	Salvatore Ferragamo watch. Rec'd—6/20/2016. Est. Value—$2,475.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
An Agency Employee	Miesterstuck Mont Blanc pen. Rec'd—6/29/2016. Est. Value—$1,290.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
An Agency Employee	Omega wrist watch. Rec'd—8/16/2016. Est. Value—$9,000.00. Disposition—Pending transfer to General Services Administration.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.
An Agency Employee	TRAVEL: Lodging. Rec'd—12/7/2016. Est. Value—$1,500.00.	5 U.S.C. 7342(f)(4)	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF DEFENSE

[Report of Tangible Gifts Furnished by the Department of Defense]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
The Honorable Ashton B. Carter, Secretary of Defense of the United States.	Wood figure depicting a male wearing a loin cloth. Wood figure depicting a female with a top knot on head. Rec'd—10/2/2015. Est. Value—$700.00. Disposition—Foreign Gift Locker 5D333. Pending transfer to General Services Administration.	Headquarters Western Command, Armed Forces of the Republic of the Philippines.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Ashton B. Carter, Secretary of Defense of the United States.	Shop model with brass tag reading ''Presented by Defense Minister, India'' in showcase tagged ''Mazagon Dock Shipbuilders Limited, Mumbai, India''. Rec'd—4/10/2016. Est. Value—$4,400.00. Disposition—Foreign Gift Locker 5D333. Pending transfer to General Services Administration.	His Excellency Manohar Parrikar, Minister of Defense of the Republic of India.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Ashton B. Carter, Secretary of Defense of the United States.	Brass candelabrum consisting of 3 tiers of 5 leafy scroll arms, each supporting a pricket cup. Top bowl surmounted by peacock. Rec'd—4/24/2016. Est. Value—$390.00. Disposition—Foreign Gift Locker 5D333. Pending transfer to General Services Administration.	Mengueshi Temple, Republic of India.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Ashton B. Carter, Secretary of Defense of the United States.	Decoupage box featuring two peacocks. Rec'd—7/1/2016. Est. Value—$450.00. Disposition—Foreign Gift Locker 5D333. Pending transfer to General Services Administration.	His Excellency Narendra Modi, Prime Minister of the Republic of India.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Ashton B. Carter, Secretary of Defense of the United States.	Rectangular box with a white marble interior clad in lapis lazuli displaying pyrite flecks in presentation box. Rec'd—7/11/2016. Est. Value—$385.00. Disposition—Foreign Gift Locker 5D333. Pending transfer to General Services Administration.	His Excellency Abdullah Habibi, Minister of Defense of the Islamic Republic of Afghanistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Ashton B. Carter, Secretary of Defense of the United States.	Lapis lazuli vase painted with flowers. Rec'd—7/12/2016. Est. Value—$585.00. Disposition—Foreign Gift Locker 5D333. Pending transfer to General Services Administration.	His Excellency Mohammad Ashraf Ghani, President of the Islamic Republic of Afghanistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Ashton B. Carter, Secretary of Defense of the United States.	A Saudi Arabian antique Persian style dagger. Rec'd—7/28/2016. Est. Value—$4,200.00. Disposition—Foreign Gift Locker 5D333. Pending transfer to General Services Administration.	His Majesty Salman bin Abdulaziz Al Saud, Custodian of the Two Holy Mosques, King of the Kingdom of Saudi Arabia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
General Joseph Dunford, Jr., Chairman of the Joint Chiefs of Staff.	Replica rifle tagged ''Mousqueton 1892 M.16'' bolt action, trigger guard stamped 8049677 in mahogany presentation case. Rec'd—1/23/2016. Est. Value—$475.00. Disposition—Retained for official display, 2E881.	Mr. Pierre de Villiers, Chief of Defense of the French Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF DEFENSE—Continued

[Report of Tangible Gifts Furnished by the Department of Defense]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Spouse of General Joseph Dunford, Jr., Chairman of the Joint Chiefs of Staff.	Silk scarf displaying printed orange/purple rosettes on black foliate stems. Pearl necklace of 29 baroque oval pink pearls strung on cord. Purse consisting of black leather closure strap with 3 magnetic disks, body depicting confronting birds with rosettes. Rec'd—2/17/2016. Est. Value—$530.00. Disposition—Joint Chiefs of Staff gift locker, 2E873. Pending transfer to General Services Administration.	Mr. Ibu Nenny Gatot Nurmantyo, Chief of Defense of the Republic of Indonesia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
General Joseph Dunford, Jr., Chairman of the Joint Chiefs of Staff.	Plaque made from rosewood. Papua ovalstone axe with beveled stone head inside a presentation box. Rec'd—2/18/2016. Est. Value—$470.00. Disposition—Retained for official display, 2E881.	His Royal Highness Salman bin Hamad bin Isa Al-Khalifa, Crown Prince of the Kingdom of Bahrain.	Non-acceptance would cause embarrassment to donor and U.S. Government.
General Joseph Dunford, Jr., Chairman of the Joint Chiefs of Staff.	Photo album crafted with pressboard covers printed to resemble burl wood, cover with pierce cut rose on stem plus oval aperture showing photo half-length portrait of saluting male in green military jacket, containing 37 photos of General Dunford with the Egyptian military. Crystal chariot with two rearing horses. Rec'd—2/20/2016. Est. Value—$870.00. Disposition—Pending transfer to General Services Administration.	Lieutenant General Mahmoud Hegazy, Chief of Staff of the Egyptian Armed Forces.	Non-acceptance would cause embarrassment to donor and U.S. Government.
General Joseph Dunford, Jr., Chairman of the Joint Chiefs of Staff.	11–14″ replica pistol in cut crystal with applied glass rosettes on handle sides, gold tone metal applications with faux gemstones in red, green, and blue accompanied by rectangular beveled wood stand in presentation box. Rec'd—2/20/2016. Est. Value—$420.00. Disposition—Retained for official display, Chairman of the Joint Chiefs of Staff Office 2E873.	His Excellency General Sedky Sobhy, Minister of Defense of the Arab Republic of Egypt.	Non-acceptance would cause embarrassment to donor and U.S. Government.
General Joseph Dunford, Jr., Chairman of the Joint Chiefs of Staff.	Plaque comprised of clear glass and etched with ''Afghan National Army'' over emblem and over presenter name as Shahim. Round brass bowl clad in lapis lazuli of dark fairly uniform color in presentation box. Rec'd—3/2/2016. Est. Value—$650.00. Disposition—Retained for official display, Chairman of the Joint Chiefs of Staff Office 2E873.	Mr. Qadam Shah Shahim, Chief of Staff of the Afghan National Army.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF DEFENSE—Continued

[Report of Tangible Gifts Furnished by the Department of Defense]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
General Joseph Dunford, Jr., Chairman of the Joint Chiefs of Staff.	Oblong bowl clad in lapis lazuli, one side marked in gold tone as presented to General Dunford by Deputy Minister Azizi. Polished ovoid pendant lapis lazuli mounted in silver on silver neck chain. Rec'd—3/6/2016. Est. Value—$580.00. Disposition—Retained for official display, Chairman of the Joint Chiefs of Staff Office 2E873.	Mr. Mascod Azizi, Deputy Minister for Policy and Strategy of the Islamic Republic of Afghanistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
General Joseph Dunford, Jr., Chairman of the Joint Chiefs of Staff.	Knives. Plaque. Caricature. Paintings. Mug. Book. Hat. Bandana. Calendar. Poncho. Scarf. Rec'd—3/10/2016. Est. Value—$551.00. Disposition—Retained for official display, Chairman of the Joint Chiefs of Staff Office 2E873.	General Juan Pablo Rodríguez Barragán, Commander of the Colombian Military Forces.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Spouse of General Joseph Dunford, Jr., Chairman of the Joint Chiefs of Staff.	Arch shaped sterling silver plaque with a repousse design of a young female wearing head cover, hands in prayer position and a halo. Cheese serving set by Atenea Orfebreria of Bogota comprised of lazy Susan round tray of pressboard plus 2-prong right angle blade cheese pick and spreader. Jewelry set consisting of pair of earrings, 8.5 mm cushion shape pearl with silver tone. Rec'd—3/10/2016. Est. Value—$745.00. Disposition—Retained for official display, Chairman of the Joint Chiefs of Staff Office 2E873.	Mrs. Patrícia Calderón, Spouse of the Commander of the Colombian Forces.	Non-acceptance would cause embarrassment to donor and U.S. Government.
General Joseph Dunford, Jr., Chairman of the Joint Chiefs of Staff and Spouse.	Crystal towers. Wall tapestry. Necklace with ''Ellyn'' inscribed. Rec'd—5/26/2016. Est. Value—$1,530.00. Disposition—Foreign Gift Locker 5D333. Pending transfer to General Services Administration.	Lieutenant General and Mrs. Mahmoud Hegazy, Chief of Staff of the Egyptian Armed Forces.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Spouse of General Joseph Dunford, Jr., Chairman of the Joint Chiefs of Staff.	Philippine oblong pearl necklace, approximately ½″ × ⅝″, silver tone nacre, continuous strand on unknotted white cord 43″ long. Cushion-shaped pearl brooch, ⅝″ diameter, silver tone nacre with notable dimple, affixed to 6-lobe ribbon bow style with faux diamonds plus polished ends. Rec'd—7/11/2016. Est. Value—$920.00. Disposition—Joint Chief of Staff gift locker, 2E873.	Mrs. Patrícia Calderón, Spouse of the Commander of the Colombian Forces.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. Andrew Exum, Deputy Assistant Secretary of Defense, Middle East.	Chaumet watch. Cufflinks. Ink pen. Plaque from the Qatari State Minister for Defense. Rec'd—8/23/2015. Est. Value—$7,650.00. Disposition—Foreign gift locker 5D333. Pending transfer to General Services Administration.	Major General Hamad Bin Ali Al-Attiyah, State Minister for Defense Affairs of the State of Qatar.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF DEFENSE—Continued

[Report of Tangible Gifts Furnished by the Department of Defense]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Mr. Andrew Exum, Deputy Assistant Secretary of Defense, Middle East.	Flatware set by Haddad consisting of 6 knives, 6 forks, 6 spoons, all having handles of white plastic in the shape of birds with red crest. Rec'd—9/22/2015. Est. Value—$420.00. Disposition—Foreign gift locker 5D333. Pending transfer to General Services Administration.	Government of the Republic of Lebanon.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Lieutenant General Vincent Stewart, Director of the Defense Intelligence Agency.	Movado men's watch series 800, tagged #2600111, serial #13155445 on back of case, having round silver tone face with 3 dials inside chapter ring, matte-finish plus polished stainless steel flex band in presentation box. Aigner "Prato" ladies' watch, tagged #A13210, having a round face displaying ivory-colored triangles, large gilt horseshoe shaped "A" at the 6 o'clock position, in presentation box. Rec'd—11/18/2015. Est. Value—$1,435.00. Disposition—Foreign gift locker 5D333. Pending transfer to General Services Administration.	Mr. Iqals Shahid Iqab al-Alit, Director of the Military Intelligence and Security Service of the United Arab Emirates.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Ms. Christine Wormuth, Under Secretary of Defense, OSD Policy.	Gold-toned desk clock with rearing horse fronted by crossed rifle and saber plus disk. Rec'd—12/7/2015. Est. Value—$450.00. Disposition—Foreign gift locker 5D333. Pending transfer to General Services Administration.	Mr. Mohammed Ayeesh, Assistant Minister of Defense of the Kingdom of Saudi Arabia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
General Paul Selva, Vice Chairman of the Joint Chiefs of Staff.	Roller ball pen, fine tip, glossy black engraved "Montegrappa" in presentation box. Rec'd—2/1/2016. Est. Value—$625.00. Disposition—Retained for official display in 2E2881.	General Jean Kahwaji, Commander of the Lebanese Armed Forces.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. Marcel Lettre, Under Secretary of Defense for Intelligence.	Blue lapis bowl in a blue case. Rec'd—2/17/2016. Est. Value—$385.00. Disposition—Foreign gift locker 5D333. Pending transfer to General Services Administration.	Mr. Mohammad Hanif Atmar, National Security Advisor of the Islamic Republic of Afghanistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Spouse of General Pual Selva, Vice Chairman of the Joint Chiefs of Staff.	Red and blue silk scarf with 4-petal rosettes amid coils within squares formed by petals of larger orange 8-petal rosettes. Necklace compromised of 48 baroque roundish pink pearls. Rec'd—2/17/2016. Est. Value—$490.00. Disposition—Joint Chiefs of Staff Gift Locker 2E873.	Mr. Ibu Henny Gatot Nurmantyo, Chief of Defense of the Republic of Indonesia.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF DEFENSE—Continued

[Report of Tangible Gifts Furnished by the Department of Defense]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
General Mark Welsh, Chief of Staff of the Air Force.	Artwork, printed impressionist image of the World Trade Center twin towers collapsing, a blue/red image looming over on left, affixed to white enameled board mounted against clear plastic square, the right side marked ''Ground Zero'' by Walter Maurer. Rec'd—3/14/2016. Est. Value—$1,200.00. Disposition—Foreign gift locker 5D333. Pending transfer to General Services Administration.	Lieutenant General Karl Miller, Chief of Staff of the German Air Force.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. Joseph Fixey, Director, Defense Security Cooperation Agency (DSCA).	Set of 2 wristwatches by Concord, each having round mother-of-pearl style face, together in one presentation box: (a) Man's ''Saratoga'' model, #20.1.15.10785, having date window at 3 o'clock position, gold-tone Roman numerals II/IV/VI/VIII/X/XII, diamond at each 1/3/5/7/9/11 o'clock positions, octagonal bead band with 8 cuprous-color squared separating curves of diamonds, matte-finish silver-tone flex band with cuprous-color links and (b) a lady's ''mariner'' #1429041 and #05.1.3.5.1099S,'' having date window at 3 o'clock position, ''diamond markers'' (diamond marking each hour), most set along horizontal lines, dodecagonal bezel ring in 18k rose gold with diamonds, blue enamel top of stem, matte silver-tone band with cuprous-color rectangles. Rec'd—4/8/2016. Est. Value—$11,980.00. Disposition—Foreign gift locker 5D333. Pending transfer to General Services Administration.	Major General Hamad Bin Ali Al-Attiyah, State Minister for Defense Affairs of the State of Qatar.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Ms. Kelly Magsamen, PDASD, ASD Asian and Pacific Security Affairs.	Salvatore Ferragamo silk scarf with leopard. Rec'd—6/9/2016. Est. Value—$380.00. Disposition—Foreign gift locker 5D333. Pending transfer to General Services Administration.	Mr. Stanley Kao, Representative of Taiwan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Ms. Karen Wong, Personal Security Officer for the Secretary of Defense, OSD (CA by OSD).	Stainless steel watch, PVD rose gold finish, with double curve sapphire crystal, Super-LumiNova hands, Arabic numerals, and hour markers; hours, minutes, seconds, date indicator with brown leather watch case. Rec'd—6/24/2016. Est. Value—$525.00. Disposition—Foreign gift locker 5D333. Pending transfer to General Services Administration.	Major General Hamad Bin Ali Al-Attiyah, State Minister for Defense Affairs of the State of Qatar.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF DEFENSE—Continued

[Report of Tangible Gifts Furnished by the Department of Defense]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Mr. John Tevis, Personal Security Officer for the Secretary of Defense, OSD (CA by OSD).	The Runwell Sport Chrono hand-assembled watch including a sapphire crystal, Super-LumiNova printed dial details: Hours, minutes, date indicator, stopwatch function, and multiple sub dials, in a solid stainless case. Premium sport components include a green turning top ring and leather strap with leather care balm and brown leather watch case. Rec'd—6/24/2016. Est. Value—$875.00. Disposition—Foreign gift locker 5D333. Pending transfer to General Services Administration.	Major General Hamad Bin Ali Al-Attiyah, State Minister for Defense Affairs of the State of Qatar.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. Daniel Loughry, Personal Security Officer for the Secretary of Defense, OSD (CA by OSD).	Runwell watch include a sapphire crystal, Super-LumiNova printed dial details, and a solid stainless steel case with screw down crown. Three hands and date indicator driven with black leather watch case with the leather care balm missing. Rec'd—6/24/2016. Est. Value—$550.00. Disposition—Foreign gift locker 5D333. Pending transfer to General Services Administration.	Major General Hamad Bin Ali Al-Attiyah, State Minister for Defense Affairs of the State of Qatar.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. Lee Thao, Personal Security Officer for the Secretary of Defense, OSD (CA by OSD).	Hand-assembled Runwell Shinola watch with case plating of polished rose gold setting off a midnight blue dial with silver subeye and a dark oxblood rapid release strap of football leather with a brown leather watch case and leather care balm. Rec'd—6/24/2016. Est. Value—$600.00. Disposition—Foreign gift locker 5D333. Pending transfer to General Services Administration.	Major General Hamad Bin Ali Al-Attiyah, State Minister for Defense Affairs of the State of Qatar.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. John Ramirez, Personal Security Officer for the Secretary of Defense, OSD (CA by OSD).	Hand-assembled Runwell Shinola watch with case plating of polished rose gold setting off a midnight blue dial with silver subeye and a dark oxblood rapid release strap of football leather with a brown leather watch case and leather care balm. Rec'd—6/24/2016. Est. Value—$600.00. Disposition—Foreign gift locker 5D333. Pending transfer to General Services Administration.	Major General Hamad Bin Ali Al-Attiyah, State Minister for Defense Affairs of the State of Qatar.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF DEFENSE—Continued

[Report of Tangible Gifts Furnished by the Department of Defense]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Mr. Jesse Sheldon, Personal Security Officer for the Secretary of Defense, OSD (CA by OSD).	Moon phase Runwell watch with a classic design and a new mood dial to track lunar phases from waxing to waning, featuring a black dial with Super-LumiNova printed details, polished stainless steel case and sapphire crystal and fixes to a tan genuine alligator strap with leather balm and a brown leather watch case. Rec'd—6/24/2016. Est. Value—$800.00. Disposition—Foreign gift locker 5D333. Pending transfer to General Services Administration.	Major General Hamad Bin Ali Al-Attiyah, State Minister for Defense Affairs of the State of Qatar.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. Neville D'Cunha, Personal Security Officer for the Secretary of Defense, OSD (CA by OSD).	Classic chronograph Runwell watch with stopwatch function and a screw down crown, stand out polished gold case holds a clean, midnight blue dial with two subeyes and date indicator box, tack in the rapid release sunflower colored Legacy leather strap with black leather watch case and leather care balm. Rec'd—6/24/2016. Est. Value—$800.00. Disposition—Foreign gift locker 5D333. Pending transfer to General Services Administration.	Major General Hamad Bin Ali Al-Attiyah, State Minister for Defense Affairs of the State of Qatar.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. Raul Donastrong, Personal Security Officer for the Secretary of Defense, OSD (CA by OSD).	Wristwatch with round beige face with Arabic numerals with jar of leather care balm and metal Shinola identification card stating "built by Stefan Mihoc oval series no Sol" in wood presentation box. Rec'd—6/24/2016. Est. Value—$850.00. Disposition—Foreign gift locker 5D333. Pending transfer to General Services Administration.	Major General Hamad Bin Ali Al-Attiyah, State Minister for Defense Affairs of the State of Qatar.	Non-acceptance would cause embarrassment to donor and U.S. Government.
General Frank Gass, Chief National Bureau.	6.5″ height × 18″ width × 7.24″ depth glass oblong bowl with lobed and serpentine rim, displaying amber tone below rim over grape clusters and leaves, script marked on right end "galle" and marked "tip" between two leaves in a presentation box. Rec'd—7/11/2016. Est. Value—$900.00. Disposition—Foreign gift locker 5D333. Pending transfer to General Services Administration.	General Nicolae Ionel Ciuca, Chief of General Staff of Romania.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Deborah Hames, Secretary of the Air Force.	Adante Leyesa of Singapore ellipsoid purse with black and white flowers made with embroidery beads and black plastic forming 6-petal rosettes, top aperture of white beads, 2 round chrome rings secured to bag by white beading in presentation box. Rec'd—7/11/2016. Est. Value—$450.00. Disposition—Foreign gift locker 5D333. Pending transfer to General Services Administration.	His Excellency Yeng Kit Chan, Permanent Secretary of Defense of the Republic of Singapore.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF DEFENSE—Continued

[Report of Tangible Gifts Furnished by the Department of Defense]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
General Paul Selva, Vice Chairman of the Joint Chiefs of Staff.	24.4 gram keychain consisting of quasi-rectangular name tag ''SEIVES'' attached to two large ovoid links with two reeded bars each attached to a clip, presentation in a lighted presentation box. Rec'd—7/11/2016. Est. Value—$900.00. Disposition—Joint Chiefs of Staff Locker 2E873.	General Kao Hua-chu, Secretary General of Taiwan National Security Council.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Lieutenant General Vincent Stewart, Director of the Defense Intelligence Agency.	Mother-of-pearl jewelry box. Rec'd—7/25/2016. Est. Value—$390.00. Disposition—Foreign gift locker 5D333. Pending transfer to General Services Administration.	Lieutenant General Kim Hwang-rok, Director of the Defense Intelligence Agency of the Republic of Korea.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Ms. Anne Powers, Protocol Specialist, OSD Protocol Office.	Silver based statue with one silver horse, two gold baby palm trees and one fully grown palm tree with the trunk in silver and the leaves gold all encased in a clear plastic casing with green box. Rec'd—7/29/2016. Est. Value—$2,100.00. Disposition—Foreign gift locker 5D333. Pending transfer to General Services Administration.	His Majesty Salman bin Abdulaziz Al Saud, Custodian of the Two Holy Mosques, King of the Kingdom of Saudi Arabia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Master Gunnery Sergeant Scott H. Stalker, USMC, Senior Enlisted Leader, Defense Intelligence Agency.	Silver and gold sword. Rec'd—8/24/2016. Est. Value—$390.00. Disposition—Retained for official display at Joint Base Anacostia-Bolling N660a.	Lieutenant Colonel Marek Utracki, Deputy Director, Headquarters for Counterintelligence Service of the Republic of Poland.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Ms. YuLin G. Bingle, Director, Europe/Eurasia Regional Center, Defense Intelligence Agency.	Handmade Galle glass vase. Rec'd—8/24/2016. Est. Value—$650.00. Disposition—Foreign gift locker 5D333. Recipient requested to retain item for official display.	General Marian Hăpău, Director General of the Directorate for Defense Intelligence of Romania.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Lieutenant General Vincent Stewart, Director of the Defense Intelligence Agency.	Large bronze Roman legionnaire statue. Rec'd—8/25/2016. Est. Value—$505.00. Disposition—Retained for official display at Joint Base Anacostia-Bolling N660a.	His Excellency Mihnea Motoc, Minister of National Defense of Romania.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Brigadier General Joseph Whitlock, Joint Chiefs of Staff.	Bottle of Jose Cuervo Reserva. Bottle of Tequila Herradura. Rec'd—10/23/2015. Est. Value—$1,000.00. Disposition—Item returned to component for Agency special event.	General Salvador Cienfugos Zepeda, Secretary of National Defense of Mexico.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. Marcel Lettre, Under Secretary of Defense for Intelligence.	Black sword with stand and gold plating. Medallion in a black wooden case. Framed picture. Rec'd—11/21/2016. Est. Value—$385.00. Disposition—Foreign gift locker 5D333. Recipient requested to retain item for official display.	Mr. Christopher Gomart, Director of Military Reassignment, French Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF DEFENSE—Continued

[Report of Tangible Gifts Furnished by the Department of Defense]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
General Mark Welsh, Chief of Staff of the Air Force.	Jewelry set comprised of a pendant on neck chain plus pair of earrings, each of squarish white faceted glass secured by 8 prongs over quasi-rectangular faceted black glass, secured by 2 confronting ''E's'' (for Escada) attached to chain in presentation box. Rec'd—Unknown. Est. Value—$460.00. Disposition—Air Force Gift Locker.	Major General Hamad Bin Ali Al-Attiyah, State Minister for Defense Affairs of the State of Qatar.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF THE AIR FORCE

[Report of Tangible Gifts Furnished by the Department of the Air Force]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Major General Mark Brown, 2AF Commander, Keesler Air Force Base, and Ms. Gwendolyn Brown.	Emporio Armani Sportivo watch. Emporio Armani super slim watch. Rec'd—1/9/2016. Est. Value—$890.00. Disposition—Pending transfer to General Services Administration.	Major General Khalid Al-Saqally, Director of Air Force Training, Royal Saudi Air Force.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Lieutenant General Charles Brown, USAFCENT Commander, Al Udeid Air Base, Qatar.	Two tickets to the Wimbledon Championships on July 10, 2016. Rec'd—. 5/2/2016. Est. Value—$507.00. Disposition—Purchased by recipient from General Services Administration.	Air Commodore Martin Sampson, 83 EAG Commanding Officer, Royal Air Force of the United Kingdom of Great Britain and Northern Ireland.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Lieutenant General Charles Brown, USAFCENT Commander, Al Udeid Air Base, Qatar.	Montblanc wallet. Chanel J12 black. Ladies' watch. Chanel J12 automatic white. Ladies' watch. Alessi 18 carat gold earrings, necklace, and ring set Apple iPhone, 128GB rose gold-colored. Delsey roller bag carry-on suitecase. Rec'd—6/2/2016. Est. Value—$10,004.00. Disposition—Pending transfer to General Services Administration.	Major General Ghanim Al Ghanim, Chief of Staff of the State of Qatar.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. Kevon Williams, Director of Studies, Analyses and Assessments.	Specialized Taiwen watch. Rec'd—10/13/2016. Est. Value—$400.00. Disposition—Pending transfer to General Services Administration.	Lieutenant General Chen-Kuo, Director General of the Department of Integrated Assessment, Ministry of National Defense, Taiwan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. John Polhemus, 89 AW/CCP ..	Tonino Lamborghini watch. Rec'd—10/18/2016. Est. Value—$4,564.00. Disposition—Pending transfer to General Services Administration.	Ms. Elie Nour, Director of Public Relations, Embassy of the State of Qatar.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. John Polhemus, Joint Base Andrews Protocol.	Rolex Oyster men's datejust watch. Rec'd—7/22/2015. Est. Value—$9,000.00. Disposition—Transferred to General Services Administration.	Embassy of the Kingdom of Saudi Arabia in the United States.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Employee of the U. S. Air Force ...	Two Concord Saratoga watches. Pen. Wallet. Key chain set. Rec'd—Unknown. Est. Value—$3,580.00. Disposition—Pending transfer to General Services Administration.	Foreign Government Official	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF THE ARMY

[Report of Tangible Gifts Furnished by the Department of the Army]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Richard Quirk, Senior Defense Official, Defense Attaché, U.S. Embassy Beirut, Lebanon.	Apple iPad Air 16 GB Gold with WIFI. Rec'd—12/11/2015. Est. Value—$499.00. Disposition—Transferred to General Services Administration.	General Jean Kahwagi, Commander of the Lebanese Armed Forces.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Vice Admiral, Andrew J. Bergen, Executive Officer.	Fountain pen. Aurora fountain pen. Limited-edition 18 carat gold. Rec'd—1/22/2016. Est. Value—$1,286.00. Disposition—Transferred to General Services Administration.	His Majesty Abdullah II ibn Al Hussein, King of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
General John F. Campbell, Commander, Resolute Support/US Forces—Afghanistan.	Gold-plated MP 5 submachine gun (inoperable). Rec'd—2/18/2016. Est. Value—$2,200.00. Disposition—Retained for official display, Museum Support Center, Fort Belvior, VA.	General Raheel Sharif, Chief of Army Staff of the Islamic Republic of Pakistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. John C. Barela, Governance Advisor, Combined Joint Task Force–7, Kandahar Airfield.	5′ × 6′8″ rug, machine-woven, synthetic cotton blend. Rec'd—2/23/2016. Est. Value—$695.00. Disposition—Purchased by recipient.	Dr. Humayan Azizi, Governor of Kandahar Provincial, Islamic Republic of Afghanistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Colonel David S. Doyle, Deputy Commander, Combined Joint Task Force–7, Kandahar Airfield.	9′ × 6′8″ rug, machine-woven, synthetic cotton blend. Rec'd—2/24/2016. Est. Value—$411.18. Disposition—Purchased by recipient.	Dr. Humayan Azizi, Governor of Kandahar Provincial, Islamic Republic of Afghanistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Admiral Mark R. Stammer, Commander, Combined Joint Task Force—Horn of Africa.	Lady Breitling watch, odel: B-Class super quartz. Rec'd—. 3/12/2016. Est. Value—$3,350.00. Disposition—Transferred to General Service Administration.	His Majesty Abdullah II ibn Al Hussein, King of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
First Lieutenant Andrew R. Lucid, Headquarters and Headquarters Company, 2d Brigade Combat Team, 10th Mountain Division (Light Infantry).	6′5″ × 9′8″ rug, machine-woven, synthetic cotton blend. Rec'd—3/15/2016. Est. Value—$735.00. Disposition—Purchased by recipient.	Brigadier General, Kahn Agha Amin, Civil Affairs Officer, 205th Corps, Afghan National Army.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Colonel David S. Doyle, Deputy Commander, Combined Joint Task Force–7, Kandahar Airfield.	9′8″ × 13′5″ rug, machine-woven, synthetic cotton blend. Rec'd—3/15/2016. Est. Value—$2,614.00. Disposition—Headquarters, 2nd Brigade Combat Team, 10th Mountain Division, Fort Drum, NY.	Brigadier General, Kahn Agha Amin, Civil Affairs Officer, 205th Corps, Afghan National Army.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Command Sergeant Major, U.S. Army, Roger Parker, 2d Brigade Combat Team, 10th Mountain Division (Light Infantry).	9′8″ × 6′5″ rug, machine-woven, synthetic cotton blend. Rec'd—3/16/2016. Est. Value—$735.00. Disposition—Headquarters, 2nd Brigade Combat Team, 10th Mountain Division, Fort Drum, NY.	Brigadier General, Kahn Agha Amin, Civil Affairs Officer, 205th Corps, Afghan National Army.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Dr. Jean R.S. Blair, Vice Dean, U.S. Military Academy.	Burberry ladies' watch, model: BU9124, stainless steel. Rec'd—4/28/2016. Est. Value—$495.00. Disposition—Pending transfer to General Services Administration. Currently stored in Pentagon, Room 3D743.	Ahmed Bin Mohammed Military College, State of Qatar.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Lieutenant General Robert L. Caslen, Superintendent, U.S. Military Academy.	Cartier ladies' watch, automatic/waterproof. Cartier men's watch, automatic/waterproof. Rec'd—5/18/2016. Est. Value—$11,700.00. Disposition—Taylor Hall, U.S. Military Academy.	His Excellency Hamad Ali Al Hanzab, Ambassador of the State of Qatar to the United States.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF THE ARMY—Continued

[Report of Tangible Gifts Furnished by the Department of the Army]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Lieutenant General Benjamin Hodges, Commander, USAREUR.	4″ extrema ratio long blade bayonet. Rec'd—5/19/2016. Est. Value—$481.60. Disposition—Building 2404, Clay Kaserne, Wiesbaden, Germany.	Lieutenant General, Danilo Enrico, Chief of Staff for Italian Army.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Brigadier General Antonio A. Aguto, Commander, Combined Joint Task Force–7, Kandahar Airfield.	78.5″ × 51.5″ Afghan rug. Rec'd—6/20/2016. Est. Value—$437.00. Disposition—Headquarters, 7th Infantry Division, Fort Lewis, WA.	Lieutenant General, Abdul Raziq, Provincial Chief of Police, Kandahar, Islamic Republic of Afghanistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Major General Brian McKiernan, Commander, US Army Fires Center of Excellence and Fort Sill.	GF Ferre Swiss stainless steel watch. United Arab Emirates coin. Rec'd—8/2/2016. Est. Value—$625.00. Disposition—Headquarters, US Army Fires Center of Excellence and Fort Sill, OK.	Major General, Saleh Mohammed Al-Ameri, Land Forces Commander, United Arab Emirates.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Major General Robert P. Ashley, Deputy Chief of Staff, G–2, HQDA.	Kindus watch, WR 50M, with stainless steel band. Rec'd—8/5/2016. Est. Value—$450.00. Disposition—Pending transfer to General Services Administration. Currently stored in Pentagon, Room 3D743.	Major General Saleh Mohammed Al-Ameri, Commander, Land Forces, United Arab Emirates.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Lieutenant General Sean B. MacFarland, Commander, Combined Joint Task Force Operation Inherent Resolve.	3″ in diameter gold-plated coin. 4′ × 6′ Kurdish hand-woven rug. Rec'd—8/17/2016. Est. Value—$3,200.00. Disposition—Headquarters, III Corps, Fort Hood, Texas.	His Excellency Masoud Barzani, President of the Kurdish Regional Government.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Colonel Ulises Calvo, Senior Defense Official/Defense Attaché.	Three necklaces, 18 carat gold with diamond pendants. Rec'd—8/20/2016. Est. Value—$4,000.00. Disposition—Pending transfer to General Services Administration. Currently stored in Pentagon, Room 3D743.	Mr. Pierre Fattouch, Businessman and Brother of a Member of Parliament, Republic of Lebanon.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Ms. Milley, Spouse of General Mark Miley.	Gucci watch with gold band. Rec'd—Unknown. Est. Value—$950.00. Disposition—Pending transfer to General Services Administration. Currently stored in Pentagon, Room 3D743.	Major General Saleh Mohammed Al-Ameri, Commander, Land Forces, United Arab Emirates.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF THE NAVY

[Report of Tangible Gifts Furnished by the Department of the Navy]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Admiral Jonathan Greenert, Chief of Naval Operations.	Lomonosov tea/coffee set. Rec'd—10/18/2011. Est. Value—$1,116.00. Disposition—Purchased by recipient.	Admiral Vladimir Sergeevich Vysotskiy, Retired, Commander-in-Chief of the Navy of the Russian Federation.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Admiral Jonathan Greenert, Chief of Naval Operations.	Cardino watch. Wallet. Set of cufflinks. Writing pen. Rec'd—3/26/2012. Est. Value—$593.53. Disposition—Transferred to General Services Administration.	Sheikh Hamad Bin Khalifa Al Thani, Commander in Chief of the Navy of the State of Qatar.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Vice Admiral Dixon R. Smith, U.S. Navy, Commander, Naval Installations Command.	Japanese Kabuto Samurai helmet. Rec'd—7/15/2015. Est. Value—$475.62. Disposition—Retained for official display.	Rear Admiral Hidetoshi Iwasaki, Commander Escort Flotilla 2, Japan Maritime Self Defense Force.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF THE NAVY—Continued

[Report of Tangible Gifts Furnished by the Department of the Navy]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Admiral Jonathan Greenert, U.S. Navy, Chief of Naval Operations.	Wooden clutch. Wooden box depicting sailing ship. Rec'd—8/18/2015. Est. Value—$665.00. Disposition—Purchased by recipient.	Comandante Eduardo Bacellar Leal Ferreira, Chief of the Brazilian Navy.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Admiral Philip S. Davidson, U.S. Navy, Commander, U.S. Fleet Forces Command.	Casa Dragones Tequila in wood presentation box and set of Secretaria de Marina coasters. Rec'd—9/15/2015. Est. Value—$405.00. Disposition—Retained for official use.	Admiral Vidal Francisco Soberon Sanz, Secretary of the Navy of Mexico.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Vice Admiral John W. Miller, U.S. Navy, Commander, U.S. Naval Forces Central Command.	Oyster Perpetual Rolex watch. Rec'd—11/20/2015. Est. Value—$15,600.00. Disposition—Purchased by recipient.	His Royal Highness Salman bin Hamad bin Isa Al-Khalifa, Crown Prince of the Kingdom of Bahrain.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Admiral Scott Swift, U.S. Navy, Commander, U.S. Pacific Fleet.	18 carat white gold ruby bracelet. Rec'd—4/11/2016. Est. Value—$500.00. Disposition—Purchased by recipient.	His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah, Sultan and Yang Di-Pertuan of Brunei Darussalam.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Vice Admiral Walter E. Carter, U.S. Navy, Superintendent, U. S. Naval Academy.	Large display case containing various PuTuo Japanese ornaments. Rec'd—7/15/2016. Est. Value—$879.75. Disposition—Retained for official display.	Rear Admiral Hidetoshi Iwasaki, Commander Escort Flotilla 2, Japan Maritime Self Defense Force.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Admiral John Richardson, U.S. Navy, Chief of Naval Operations.	Honma golf putter. Rec'd—9/20/2016. Est. Value—$6,310.00. Disposition—Retained for official display.	Major General Khaled Abdullah, Chief of Naval Operations of the State of Kuwait.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: UNITED STATES CENTRAL COMMAND

[Report of Tangible Gifts Furnished by the United States Central Command]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
General Lloyd J. Austin, Commander of the United States Central Command.	Choppard racing gift set (watch, pen, cufflinks). Rec'd—1/25/2016. Est. Value—$10,188.00. Disposition—Pending transfer to General Services Administration.	Major General Hamad Bin Ali Al-Attiyah, State Minister for Defense Affairs of the State of Qatar.	Non-acceptance would cause embarrassment to donor and U.S. Government.
General Lloyd J. Austin, Commander of the United States Central Command.	Raymond Weil men's watch. Raymond Weil ladies' tango watch. Rec'd—2/24/2016. Est. Value—$3,300.00. Disposition—Pending transfer to General Services Administration.	His Excellency Field Marshal Sheikh Khalifa bin Ahmed Al Khalifa, Commander-in-Chief of the Bahrain Defense Force.	Non-acceptance would cause embarrassment to donor and U.S. Government.
General Lloyd J. Austin, Commander of the United States Central Command.	Gold-plated Pakistani ordinance factory MP–5. Rec'd—2/28/2016. Est. Value—$1,525.00. Disposition—Retained for official display in U.S. Central Command.	General Raheel Sharif, Chief of Army Staff of the Islamic Republic of Pakistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
General Joseph L. Votel, Commander of the United States Central Command.	Petra carved fountain pen by Aurora. Rec'd—4/1/2016. Est. Value—$985.00. Disposition—Pending transfer to General Services Administration.	His Majesty Abdullah II ibn Al Hussein, King of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
General Joseph L. Votel, Commander of the United States Central Command.	Jordanian Bedouin knife in shadow box. Rec'd—4/13/2016. Est. Value—$638.98. Disposition—Pending transfer to General Services Administration.	Government of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: UNITED STATES CENTRAL COMMAND—Continued

[Report of Tangible Gifts Furnished by the United States Central Command]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
General Joseph L. Votel, Commander of the United States Central Command.	Ruby necklace. Coffee table book, title: *Defenders of Pakistan.* Rec'd—5/9/2016. Est. Value—$406.00. Disposition—Pending transfer to General Services Administration.	General Raheel Sharif, Chief of Army Staff of the Islamic Republic of Pakistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
General Joseph L. Votel, Commander of the United States Central Command.	Pen set. Book, title: *Above Two Seas.* Rec'd—5/12/2016. Est. Value—$1,250.00. Disposition—Pending transfer to General Services Administration.	His Royal Highness Salman bin Hamad bin Isa Al-Khalifa, Crown Prince of the Kingdom of Bahrain.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Colonel Richard Quik	Roadster pen with engraving. Rec'd—5/19/2016. Est. Value—$455.00. Disposition—Purchased by recipient.	General Jean Kahwaji, Commander of the Lebanese Armed Forces.	Non-acceptance would cause embarrassment to donor and U.S. Government.
General John W. Nicholson. CDR, Resolute Support/USFOR–A.	Large hand-made carpet. Karzai chipan. Rec'd—8/28/2016. Est. Value—$1,840.00. Disposition—Retained for official display at HQ USFOR–A.	His Excellency Abdul Rashid Dostum, Vice President of the Islamic Republic of Afghanistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: UNITED STATES MARINE CORPS

[Report of Tangible Gifts Furnished by the United States Marine Corps]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Mr. Timothy R. Rollins, GS–13, Head, Multinational Logistics Branch, MARFORPAC G–4.	Omega 424.13.40.20.02.001 De Ville Prestige Co-Axial 39.5mm silver dial leather men's watch. Rec'd—7/26/2016. Est. Value—$2,195.00. Disposition—Forwarded to CMC(JA) on 11/30/2017. Delivered 02/14/2017.	Commander Pendham Patdhamachinalia, Chief of Logistics, Royal Thai Marine Corps, on behalf of Read Admiral Suwatti Chiddaycha, Advisor, Royal Thai Navy.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: DEPARTMENT OF THE TREASURY

[Report of Tangible Gifts and Gifts of Travel Furnished by the Department of the Treasury]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Mr. Danny Glaser, Assistant Secretary of Treasury, Terrorist Finance.	Two Rolex oyster perpetual watch. Rec'd—9/17/2015. Est. Value—$14,600.00. Disposition—Pending transfer to General Services Administration.	His Excellency Nasser al-Sabeeh, Ambassador, Ministry of Foreign Affairs of the State of Kuwait.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. Danny Glaser, Assistant Secretary of Treasury, Terrorist Finance.	TRAVEL: Single rate for 5-night hotel stay during African Development Bank annual meeting. Rec'd—5/28/2016. Est. Value—$1,260.45.	Government of the Republic of Zambia.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: ENVIRONMENTAL PROTECTION AGENCY

[Report of Gifts of Travel Furnished by the Environmental Protection Agency]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Mr. Keith Houck, Ph.D., Research Toxicologist, Office of Research and Development.	TRAVEL: Travel expenses accepted included meals, transportation, incidental expenses ($1,132.83) and lodging ($810.87) while in Lyon, France. Rec'd—1/10–31/2016. Est. Value—$1,943.70.	Mr. Kurt Straif, MD, Ph.D., Head of the Monographs Section, International Agency for Research on Cancer.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Susan Jennings, Public Health Coordinator, Office of Pesticide Programs.	TRAVEL: Meals, intracity transportation, incidental expenses, and lodging while in Geneva, Switzerland. Rec'd—1/31–2/4/2016. Est. Value—$1,306.00.	World Health Organization	Non-acceptance would cause embarrassment to donor and U.S. Government.
Sang Don Lee, Research Environmental Scientist, Office of Research and Development.	TRAVEL: Travel expenses accepted included meals ($295), lodging ($776), and transportation ($160) while in Tokyo, Japan. Rec'd—2/1–6/2016. Est. Value—$1,231.00.	International Atomic Energy Agency.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Dr. Anthony Socci, Senior Lead on International Climate Policy.	TRAVEL: Travel expenses accepted include meals, incidentals, transportation and lodging while in Bangkok, Thailand. Rec'd—3/9–12/2016. Est. Value—$1,016.00.	Environment Programme of the United Nations.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Dr. Andrew J.R. Gillespie, Ph.D., Associate Director, National Exposure Research Laboratory.	TRAVEL: Destination—Brasilia, Brazil. Travel expenses outside of the U.S. included $605 total for lodging, transfers and meals. Rec'd—3/13–15/2016. Est. Value—$605.00.	Development Programme of the United Nations.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Dr. Prakashchandra V. Shah, Chief, IIAB, Registration Division, OPP, OSCPP.	TRAVEL: $2,616 deposited in the bank account for meals, hotel, local transportations, transportation to/from airports and other incidental expenses while in Geneva, Switzerland. Rec'd—5/9–13/2016. Est. Value—$2,616.00.	World Health Organization	Non-acceptance would cause embarrassment to donor and U.S. Government.
Dr. Ruth A. Etzel, Director, Office of Children's Health Protection.	TRAVEL: Travel expenses accepted included meals, transportation, incidental expenses (*e.g.,* internet fees) ($1,032) and lodging ($425) while in Geneva, Switzerland. Rec'd—6/11–15/2016. Est. Value—$1,457.00.	Dr. Emiko Todaka, Technical Officer, Department of Public Health, Environmental and Social Determinants of Health, World Health Organization.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Sean Hogan, Environmental Protection Specialist, Office of Air and Radiation, Climate Change Division.	TRAVEL: Travel expenses accepted included lunch and dinner on July 7 and 8 ($40), airport transportation on July 10 ($14.70) and lodging on July 6, 7, and 8 ($350) while in Mexico City, Mexico. Rec'd—7/6–10/2016. Est. Value—$404.70.	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Lesley V. D'Anglada, Microbiologist, Health and Ecological Criteria Division (HECD), Office of Science and Technology (OST), Office of Water (OW).	TRAVEL: Travel expenses accepted included meals, transportation, incidental expenses (*e.g.,* internet access). Rec'd—7/8–17/2016. Est. Value—$1,125.00.	World Health Organization	Non-acceptance would cause embarrassment to donor and U.S. Government.
Dr. Neil Chernoff; Research Toxicologist; Toxicology Assessment Division; National Health and Environmental Effects Research Laboratory.	TRAVEL: Received per diem for meals while in Singapore. Rec'd—7/10–17/2016. Est. Value—$1,198.00.	World Health Organization	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: ENVIRONMENTAL PROTECTION AGENCY—Continued

[Report of Gifts of Travel Furnished by the Environmental Protection Agency]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Stephanie Adrian, Office of International and Tribal Affairs.	TRAVEL: Travel expenses accepted included meals and incidentals while in Kingston, Jamaica. Rec'd—8/14–19/2016. Est. Value—$402.40.	Caribbean Environment Programme of the United Nations.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Michael Doherty, Chemist, Office of Pesticide Programs.	TRAVEL: Meals, incidental expenses (*e.g.,* laundry), and ground transportation ($2,545.30) while in Rome, Italy. Rec'd—5/26–29/2015. Est. Value—$2,545.30.	Food and Agriculture Organization of the United Nations.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Lee Ann B. Veal, Center Director, Center for Radiological Emergency Management, ORIA.	TRAVEL: Travel expenses accepted included meals, incidental expenses ($98) and lodging ($652) while in Tokyo, Japan. Rec'd—9/9–12/2016. Est. Value—$750.00.	The National Institutes for Quantum and Radiological Science and Technology (QST), Japan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Dr. Prakashchandra V. Shah, Chief, IIAB, Registration Division, OPP, OSCPP.	TRAVEL: $3,616 direct deposit in the bank account for meals, hotel, local transportations, transportation to/from airports and other incidental expenses while in Geneva, Switzerland. Rec'd—9/11–23/2016. Est. Value—$3,616.00.	World Health Organization	Non-acceptance would cause embarrassment to donor and U.S. Government.
Dr. Thomas Luben, Senior Epidemiologist, Office of Research and Development, National Center for Environmental Assessment.	TRAVEL: Travel expenses accepted included lodging ($549) and meals and incidental expenses (*e.g.,* currency conversion charges) ($600) while in Bonn, Germany. Rec'd—9/26–29/2016. Est. Value—$1,149.00.	European Center for Environment and Health of the World Health Organization.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Catherine Gibbons, Biologist, IRIS Program, National Center for Environmental Assessment, Office of Research and Development.	TRAVEL: Travel expenses accepted, including hotel, local transportation, and meals, were paid by reimbursement directly to the traveler while in Lyon, France. Rec'd—10/3–12/2016. Est. Value—$1,831.12.	International Agency for Research on Cancer of the World Health Organization.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Mathy Stanislaus, Assistant Administrator, Office of Land and Emergency Management.	TRAVEL: Lodging, lunch and dinner. Rec'd—10/16–20/2016. Est. Value—$521.00.	Industrial Development Organization of the United Nations.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Kable Bo Davis, Lead Biologist, Office of Pesticide Programs.	TRAVEL: Travel expenses accepted included lodging ($550.00) while in Geneva, Switzerland. Rec'd—10/17–18/2016. Est. Value—$550.00.	World Health Organization	Non-acceptance would cause embarrassment to donor and U.S. Government.
Jennifer Saunders, Acting Senior Entomologist, Registration Division, Office of Pesticide Programs.	TRAVEL: Travel expenses including meals and incidentals ($663.33) and lodging ($1051.67) while in Geneva, Switzerland. Rec'd—10/24–29/2016. Est. Value—$1,715.00.	World Health Organization	Non-acceptance would cause embarrassment to donor and U.S. Government.
Sang Don Lee, Research Environmental Scientist, Office of Research and Development.	TRAVEL: Travel expenses accepted included meals ($677.04), lodging ($1,111.39), and transportation ($48.53) while in Tokyo and Fukushima Prefecture, Japan. Rec'd—11/12–19/2016. Est. Value—$1,836.96.	International Atomic Energy Agency.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: FEDERAL COMMUNICATIONS COMMISSION

[Report of Gifts of Travel Furnished by the Federal Communications Commission]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Mr. Olgo Madruga-Forti, Chief Global Strategies and Negotiation, International Bureau.	TRAVEL: Hotel accomodation to attend and speak with Colombia regulators, which provided an opportunity to share FCC experience and expertise on regulatory policy. Rec'd—8/28–31/2016. Est. Value—$498.00.	Telecommunications Regulatory Commission of the Republic of Colombia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Micah Caldwell, Legal Advisor, Office of Governmental Affairs Bureau.	TRAVEL: Hotel, meals and local transportation to attend and speak at the conference in furtherance of the FCC's mission. Rec'd—10/5–7/2016. Est. Value—$398.00.	The Superintendence of Industry and Commerce of the Republic of Colombia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Tracey Weisler, Senior Advisor for Organization for Economic Co-Operation and Development (OECD) and International ICT Access Issues, International Bureau.	TRAVEL: Airfare, local transportation, hotel and meals. Attended a study program designed by the European Commissioner so that they can better understand the government and political decision making environment of their European counterparts as future negotiations and agreements are developed. Rec'd—10/22–29/2016. Est. Value—$3,350.00.	Delegation of the European Commission to the United States.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Jonathan Levy, Deputy Chief Economist, Office of Strategy Planning.	TRAVEL: Conference registration fee, hotel and meals. Keynote speaker, and provided information on U.S. policy regarding the market for production and distribution of media content at the University of Canberra. Rec'd—11/2–3/2016. Est. Value—$859.00.	News and Media Research Centre, University of Canberra, Canberra, Australia.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

[Report of Tangible Gifts Furnished by the National Archives and Records Administration]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Ms. Meg Phillips, External Affairs Liaison.	Mont Blanc leather folder and Mont Blanc pen. Rec'd—3/14/2016. Est. Value—$950.00. Disposition—Pending transfer to National Archives Trust Fund.	Mr. Abdulla Elreyes, Director General and Under Minister, United Arab Emirates National Archives, Ministry of Presidential Affairs.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE

[Report of Tangible Gifts Furnished by the Office of the Director of National Intelligence]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
5 U.S.C. 7342(f)(4), as amended ..	Sculpture of St. George slaying the dragon, gilt metal on green marble-footed base. Rec'd—1/13/2016. Est. Value—$1,500.00. Disposition—Retained for official display.	5 U.S.C. 7342(f)(4), as amended	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE—Continued

[Report of Tangible Gifts Furnished by the Office of the Director of National Intelligence]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
5 U.S.C. 7342(f)(4), as amended ..	Dagger made of gilt metal and steel with gilt metal mounted scabbard in fitted case. Rec'd—1/13/2016. Est. Value—$500.00. Disposition—Retained for official use.	5 U.S.C. 7342(f)(4), as amended	Non-acceptance would cause embarrassment to donor and U.S. Government.
5 U.S.C. 7342(f)(4), as amended ..	Bottle of Remy Martin Louis XII Grand Champagne Cognac, in a Cacarrat Pilgrim Flask decanter in faux leather case. Rec'd—2/2/2016. Est. Value—$4,000.00. Disposition—Retained for official use.	5 U.S.C. 7342(f)(4), as amended	Non-acceptance would cause embarrassment to donor and U.S. Government.
5 U.S.C. 7342(f)(4), as amended ..	18″ x 24″ portrait of Director Clapper signed and dated, oil on canvas in gold silk brocade-covered board box. Rec'd—5/2/2016. Est. Value—$2,500.00. Disposition—Retained for official use.	5 U.S.C. 7342(f)(4), as amended	Non-acceptance would cause embarrassment to donor and U.S. Government.
5 U.S.C. 7342(f)(4), as amended ..	Silver candlestick on faux black marble base in vinyl case. Rec'd—6/3/2016. Est. Value—$750.00. Disposition—Retained for official use.	5 U.S.C. 7342(f)(4), as amended	Non-acceptance would cause embarrassment to donor and U.S. Government.
5 U.S.C. 7342(f)(4), as amended ..	Jewelry box of silvered metal mounted faux green tortoise. Rec'd—8/5/2016. Est. Value—$500.00. Disposition—Retained for official use.	5 U.S.C. 7342(f)(4), as amended	Non-acceptance would cause embarrassment to donor and U.S. Government.
5 U.S.C. 7342(f)(4), as amended ..	Toenari fountain pen, hand-crafted, chrome-mounted black resin in leather case with wine book and gilt medallion. Rec'd—8/11/2016. Est. Value—$500.00. Disposition—Retained for official use.	5 U.S.C. 7342(f)(4), as amended	Non-acceptance would cause embarrassment to donor and U.S. Government.
5 U.S.C. 7342(f)(4), as amended ..	Sepia ink and wash drawing in gilt frame and fitted case, with book from the same country. Rec'd—8/12/2016. Est. Value—$500.00. Disposition—Retained for official use.	5 U.S.C. 7342(f)(4), as amended	Non-acceptance would cause embarrassment to donor and U.S. Government.
5 U.S.C. 7342(f)(4), as amended ..	Photo album, gilt stenciled on Moroccan leather. Rec'd—9/11/2016. Est. Value—$400.00. Disposition—Retained for official use.	5 U.S.C. 7342(f)(4), as amended	Non-acceptance would cause embarrassment to donor and U.S. Government.
5 U.S.C. 7342(f)(4), as amended ..	Vintage flying machine (1906) with landing gear by Traian Vuia in plexiglass case. Rec'd—9/16/2016. Est. Value—$700.00. Disposition—Retained for official use.	5 U.S.C. 7342(f)(4), as amended	Non-acceptance would cause embarrassment to donor and U.S. Government.
5 U.S.C. 7342(f)(4), as amended ..	Bronze ceramic sculpture on wooden stepped plinth with presentation plaque. Rec'd—9/21/2016. Est. Value—$500.00. Disposition—Retained for official use.	5 U.S.C. 7342(f)(4), as amended	Non-acceptance would cause embarrassment to donor and U.S. Government.
5 U.S.C. 7342(f)(4), as amended ..	Kupecik decanter gilt and blue-white. Rec'd—11/10/2016. Est. Value—$500.00. Disposition—Retained for official use.	5 U.S.C. 7342(f)(4), as amended	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE—Continued

[Report of Tangible Gifts Furnished by the Office of the Director of National Intelligence]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
5 U.S.C. 7342(f)(4), as amended ..	Black silk garment couched in silver thread and sequins. Rec'd—11/10/2016. Est. Value—$400.00. Disposition—Retained for official use.	5 U.S.C. 7342(f)(4), as amended	Non-acceptance would cause embarrassment to donor and U.S. Government.
5 U.S.C. 7342(f)(4), as amended ..	Leather jacket by Elibol. Rec'd—11/10/2016. Est. Value—$500.00. Disposition—Retained for official use.	5 U.S.C. 7342(f)(4), as amended	Non-acceptance would cause embarrassment to donor and U.S. Government.
5 U.S.C. 7342(f)(4), as amended ..	Leather jacket, brass-studded, silk lined. Rec'd—11/10/2016. Est. Value—$500.00. Disposition—Retained for official use.	5 U.S.C. 7342(f)(4), as amended	Non-acceptance would cause embarrassment to donor and U.S. Government.
5 U.S.C. 7342(f)(4), as amended ..	Black leather satchel with Parker ballpoint pen enclosed. Rec'd—11/22/2016. Est. Value—$400.00. Disposition—Retained for official use.	5 U.S.C. 7342(f)(4), as amended	Non-acceptance would cause embarrassment to donor and U.S. Government.
5 U.S.C. 7342(f)(4), as amended ..	Embossed banded silver covered bowl on stand in silk fitted cloth box. Rec'd—11/22/2016. Est. Value—$750.00. Disposition—Retained for official use.	5 U.S.C. 7342(f)(4), as amended	Non-acceptance would cause embarrassment to donor and U.S. Government.
5 U.S.C. 7342(f)(4), as amended ..	Set of three enameled, jeweled, and gilt metal heads of Deities in shadow box and wood frame. Rec'd—11/23/2016. Est. Value—$400.00. Disposition—Retained for official use.	5 U.S.C. 7342(f)(4), as amended	Non-acceptance would cause embarrassment to donor and U.S. Government.
5 U.S.C. 7342(f)(4), as amended ..	Glass eagle figurine, French molded and frosted pate de verre by Marcel Ferstier for Daum. Rec'd—2016. Est. Value—$1,500.00. Disposition—Retained for official use.	5 U.S.C. 7342(f)(4), as amended	Non-acceptance would cause embarrassment to donor and U.S. Government.
5 U.S.C. 7342(f)(4), as amended ..	End table, incised and stained fruitwood and gilt. Rec'd—Unknown. Est. Value—$700.00. Disposition—Retained for official use.	5 U.S.C. 7342(f)(4), as amended	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

[Report of Gifts of Travel Furnished by the U.S. Agency for International Development]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Mr. Peter Natiello, Mission Director	TRAVEL: Flight in helicopter. It was an invitation from Presidential Section for Counter-Narcotics. The transportation was received since the Colombia Army is part of the National Consolidation Policy. Minister of Post-Conflict, Rafael Pardo, went with receipient to check progress on the consolidation territories. There are no commercial flights. Rec'd—6/29/2016. Est. Value—$400.00.	Government of the Republic of Colombia.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT—Continued

[Report of Gifts of Travel Furnished by the U.S. Agency for International Development]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
Mr. Peter Natiello, Mission Director	TRAVEL: Flight in helicopter. Santa Rosa is one of the most important experiences in USAID's support to substitute illicit crops. The purpose was to identify best practices and lessons learned in this area. The helicopter was required since there is no commercial flight and the road is dangerous due to the presence of ELN groups in the area. Rec'd—10/24/2016. Est. Value—$400.00.	Colombian National Police	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. Peter Natiello, Mission Director	TRAVEL: Flight in military airplane. This was an overflight required by the Colombian Minister of Defense, Luis Carlos Villegas, to analyze strategic points to erradicate illicit crops. Military flight was was needed due to the attendance of Minister of Post-Conflict, General Commander of the Colombian Army, Government of Colombia Representatives, Director of Counter Narcotics of the Colombia National Police. Rec'd—12/6/2016. Est. Value—$400.00.	Colombian National Army	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. Aman Djahanbani, Deputy Mission Director.	TRAVEL: Flight in helicopter. No commercial transportation to San Juan de Arama. Army presence is required to assure a safe access to the area. Rec'd—12/6/2016. Est. Value—$400.00.	Colombian National Army	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: U.S. HOUSE OF REPRESENTATIVES

[Report of Gifts of Travel Furnished by the U.S. House of Representatives]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
The Honorable Jim Costa, U.S. House of Representatives.	TRAVEL: Airfare from Oslo to Copenhagen, two nights lodging, one lunch, one dinner, train fare to and from airport to Stockholm City Center. Rec'd—5/3–5/2016. Est. Value—Unknown.	Mr. Magnus Ryden, Deputy Director-General, Head of the Department for Trade and EU Single Market, Ministry of Foreign Affairs of the Kingdom of Sweden.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Ms. Angela Ellard, Chief Trade Counsel, U.S. House of Representatives.	TRAVEL: Hotel accomodations for 4 nights at the Armenia Marriott Hotel Yerevan. Rec'd—7/19–24/2016. Est. Value—$947.36.	Mr. Berj Apkarian, Honorary Counsul of the Republic of Armenia in Fresno.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: UNITED STATES SENATE

[Report of Tangible Gifts and Gifts of Travel Furnished by the United States Senate]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
The Honorable John McCain, Senator of the United States.	Lalique vase. Rec'd—1/2016. Est. Value—$990.00. Disposition—Deposited with the Secretary of the Senate.	Ms. Ameena Salman Al Meer, First Secretary and Deputy Chief of Mission, Consulate General of State of Qatar.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Mitch McConnell, Majority Leader of the United States Senate.	Silver horse sculpture. Rec'd—1/2016. Est. Value—$700.00. Disposition—Deposited with the Secretary of the Senate.	His Excellency Adel al-Jubeir, Minister of Foreign Affairs of the Kingdom of Saudi Arabia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Patrick J. Toomey, Senator of the United States.	Silver plated pill box lined with black felt. Rec'd—1/13/2016. Est. Value—$200.00. Disposition—Deposited with the Secretary of the Senate.	His Excellency Mohammed Jaham Al Kuwari, Ambassador of the State of Qatar to the United States.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Johnny Isakson, Senator of the United States.	Tiffany and Co. pewter box with black lining. Rec'd—1/19/2016. Est. Value—$125.00. Disposition—Deposited with the Secretary of the Senate.	His Excellency Mohammed Jaham Al Kuwari, Ambassador of the State of Qatar to the United States.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Charles E. Schumer, Senator of the United States.	Tai-Hwa luster red ceramic vase. Rec'd—1/20/2016. Est. Value—$185.00. Disposition—Deposited with the Secretary of the Senate.	Ambassador Lyu-shun Shen, Taipei Economic and Cultural Representative Office.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Bernard Sanders, Senator of the United States.	Tiffany and Co. silver box. Rec'd—1/22/2016. Est. Value—$300.00. Disposition—Deposited with the Secretary of the Senate.	His Excellency Mohammed Jaham Al Kuwari, Ambassador of the State of Qatar to the United States.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Marco Rubio, Senator of the United States.	Tiffany and Co. bowl. Rec'd—1/29/2016. Est. Value—$200.00. Disposition—Deposited with the Secretary of the Senate.	His Excellency Mohammed Jaham Al Kuwari, Ambassador of the State of Qatar to the United States.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. James A. Wolfe, Director of Security, Select Committee on Intelligence, United States Senate.	Tissot T-sport men's watch. Rec'd—2/2/2016. Est. Value—$338.00. Disposition—Deposited with the Secretary of the Senate.	His Majesty King Abdullah II ibn Al Hussein, King of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Ms. Margaret Murphy, Chief of Protocol and Foreign Travel, Committee on Foreign Relations, United States Senate.	Chrono Swiss army watch. Rec'd—2/3/2016. Est. Value—$259.00. Disposition—Deposited with the Secretary of the Senate.	His Majesty King Abdullah II ibn Al Hussein, King of the Hashemite Kingdom of Jordan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Lindsey Graham, Senator of the United States.	Pair of Bespoke cuff links. Richard Jarvis key ring. Rec'd—3/31/2016. Est. Value—$1,000.00. Disposition—Deposited with the Secretary of the Senate.	His Majesty King Salman bin Abdulaziz Al Saud, Custodian of the Two Holy Mosques, King of the Kingdom of Saudi Arabia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Orrin G. Hatch, President Pro Tempore of the United States Senate.	Pair of Baltu Rotas cuff links. Rec'd—4/19/2016. Est. Value—$135.00. Disposition—Deposited with the Secretary of the Senate.	Her Excellency Ināra Mūrniece, Speaker of the Saeima of the Republic of Latvia.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Orrin G. Hatch, President Pro Tempore of the United States Senate.	Moser crystal vase. Rec'd—5/17/2016. Est. Value—$154.00. Disposition—Deposited with the Secretary of the Senate.	Mr. Jan Hamáĉek, Member of Parliament, Speaker of the Chamber of Deputies of the Czech Republic.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Lindsey Graham, Senator of the United States.	Paskitani rug. Ceremonial pistol. Rec'd—7/2/2016. Est. Value—$1,000.00. Disposition—Deposited with the Secretary of the Senate.	General Raheel Sharif, Chief of Army Staff of the Islamic Republic of Pakistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Joe Donnelly, Senator of the United States.	Paskitani rug. Ceremonial pistol. Rec'd—7/3/2016. Est. Value—$1,000.00. Disposition—Deposited with the Secretary of the Senate.	General Raheel Sharif, Chief of Army Staff of the Islamic Republic of Pakistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.

AGENCY: UNITED STATES SENATE—Continued

[Report of Tangible Gifts and Gifts of Travel Furnished by the United States Senate]

Name and title of person accepting the gift on behalf of the U.S. Government	Gift, date of acceptance on behalf of the U.S. Government, estimated value, and current disposition or location	Identity of foreign donor and government	Circumstances justifying acceptance
The Honorable John McCain, Senator of the United States.	Paskitani rug. Ceremonial pistol. Rec'd—7/3/2016. Est. Value—$1,000.00. Disposition—Deposited with the Secretary of the Senate.	General Raheel Sharif, Chief of Army Staff of the Islamic Republic of Pakistan.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Mitch McConnell, Majority Leader of the United States Senate.	Silver frame. Rec'd—8/3/2016. Est. Value—$100.00. Disposition—Deposited with the Secretary of the Senate.	His Excellency Narendra Modi, Prime Minister of the Republic of India.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Bill Nelson, Senator of the United States.	Rug. Rec'd—8/13/2016. Est. Value—$100.00. Disposition—Deposited with the Secretary of the Senate.	His Excellency Rachid Talbi El Alami, President of the House of Representatives of the Kingdom of Morocco.	Non-acceptance would cause embarrassment to donor and U.S. Government.
The Honorable Christopher A. Coons, Senator of the United States.	Teapot. Rug. Rec'd—8/14/2016. Est. Value—$100.00. Disposition—Deposited with the Secretary of the Senate.	His Excellency Hakim Benchemass, President of the House of Councilors of the Kingdom of Morocco and His Excellency Chafik Rachadi, Vice President of the House of Representatives of the Kingdom of Morocco.	Non-acceptance would cause embarrassment to donor and U.S. Government.
Mr. Everett H. Eissenstat, Chief International Trade Counsel, Senate Committee on Finance.	TRAVEL: Transportation between Oslo, Stockholm and Copenhagen, including lodging and meals in Stockholm, Sweden. Rec'd—3/3–5/2016. Est. Value—Unknown.	Government of the Kingdom of Sweden.	Non-acceptance would cause embarrassment to donor and U.S. Government.

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Part IV

The President

Executive Order 13821—Streamlining and Expediting Requests To Locate Broadband Facilities in Rural America

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Presidential Documents

Title 3—

The President

Executive Order 13821 of January 8, 2018

Streamlining and Expediting Requests To Locate Broadband Facilities in Rural America

By the authority vested in me as President by the Constitution and the laws of the United States of America, and in order to promote better access to broadband internet service in rural America, it is hereby ordered as follows:

Section 1. *Policy.* Americans need access to reliable, affordable broadband internet service to succeed in today's information-driven, global economy. Currently, too many American citizens and businesses still lack access to this basic tool of modern economic connectivity. This problem is particularly acute in rural America, and it hinders the ability of rural American communities to increase economic prosperity; attract new businesses; enhance job growth; extend the reach of affordable, high-quality healthcare; enrich student learning with digital tools; and facilitate access to the digital marketplace.

It shall therefore be the policy of the executive branch to use all viable tools to accelerate the deployment and adoption of affordable, reliable, modern high-speed broadband connectivity in rural America, including rural homes, farms, small businesses, manufacturing and production sites, tribal communities, transportation systems, and healthcare and education facilities.

To implement this policy and enable sustainable rural broadband infrastructure projects, executive departments and agencies (agencies) should seek to reduce barriers to capital investment, remove obstacles to broadband services, and more efficiently employ Government resources.

Among other actions, the executive branch will continue its implementation of section 6409 of the Middle Class Tax Relief and Job Creation Act of 2012 (Public Law 112–96) (''section 6409''), which requires, among other things, that the General Services Administration (GSA) develop a common form and master contract for wireless facility sitings on buildings and other property owned by the Federal Government. These documents enable the Federal Government to process wireless facility siting requests more efficiently and will also provide additional predictability regarding the availability of locations for asset installation to installers of wireless broadband facilities.

Sec. 2. *Reviewing Requests to Locate Broadband Facilities on Federal Real Property.* (a) Within 180 days of the date of this order, the Administrator of General Services (Administrator), in coordination with the heads of Federal property managing agencies, shall evaluate the effectiveness of the GSA Common Form Application for use in streamlining and expediting the processing and review of requests to locate broadband facilities on Federal real property.

(b) As part of this evaluation, the Administrator shall determine whether any revisions to the GSA Common Form Application are appropriate and, to the extent consistent with law, shall begin implementation of any such revisions.

(c) In furtherance of section 6409, all applicants and Federal property managing agencies shall use the GSA Common Form Application for wireless service antenna structure siting developed by the Administrator for requests to locate broadband facilities on Federal property. Federal property managing agencies shall expeditiously review and approve such requests unless an

approval would negatively affect performance of the agency's mission or otherwise not be in the best interests of the United States.

(d) Within 180 days of the date of this order, and on a quarterly basis thereafter, all Federal property managing agencies shall report to the GSA regarding their required use of the Common Form Application, the number of Common Form Applications received, the percentage approved, the percentage rejected, the basis for any rejection, and the number of working days each application was pending before being approved or rejected. Each report shall include the number of applications received, approved, and rejected within the preceding quarter.

(e) Ninety days after the date of this order, and on a quarterly basis thereafter, the Administrator shall prepare and provide to the Director of the Office of Management and Budget (Director) an aggregated summary report detailing results from the reports submitted under subsection (d) of this section. Not later than 1 year from the date of this order, the Administrator shall recommend to the Director improvements to the Common Form Application needed to further the purposes of this order.

Sec. 3. *Definitions.* As used in this order:

(a) The term ''Federal property managing agencies'' means agencies that have custody and control of, or responsibility for managing, Federal lands, buildings, and rights of way, federally assisted highways, and tribal lands.

(b) The term ''Federal real property'' has the same meaning as that term has in Executive Order 13327 of February 4, 2004 (Federal Real Property Asset Management).

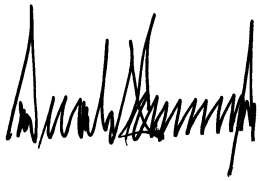
Sec. 4. *General Provisions.* (a) Nothing in this order shall be construed to impair or otherwise affect:

(i) the authority granted by law to an executive department or agency, or the head thereof; or

(ii) the functions of the Director relating to budgetary, administrative, or legislative proposals.

(b) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.

(c) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.



THE WHITE HOUSE,
January 8, 2018.

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Sexual Assault Forensic Evidence Reporting Act of 2017 (Jan. 8, 2018; 131 Stat. 2266)

H.R. 267/P.L. 115–108
Martin Luther King, Jr. National Historical Park Act of 2017 (Jan. 8, 2018; 131 Stat. 2267)

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