

FINRA further believes that the proposed rule change is consistent with Section 15A(b)(8) of the Act,<sup>47</sup> which requires, among other things, that FINRA rules must be designed to provide a fair procedure for the disciplining of members and persons associated with members. The proposed rule change maintains the necessary eligibility requirements to ensure that the pool of potential panelists is composed of qualified members. In addition, by reducing the number of committee members in the West and South Regions from 21 to 18 and in the Midwest, North, and New York Regions from 14 to 12, the proposed rule change only reduces by 12 the maximum number of eligible panelists who would be current committee members. FINRA is exploring options to enlarge the pool of panelists and better educate the Regional Committees about the critical function of serving on hearing panels in FINRA disciplinary proceedings.

#### *B. Self-Regulatory Organization's Statement on Burden on Competition*

FINRA 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. The proposed rule change will not impose any direct costs or additional regulatory obligations on members. FINRA will continue its practice of covering committee meeting costs and expenses committee members incur by attending meetings in person.

The proposed rule change will reduce representation within each Regional Committee from seven seats to six seats per district. However, FINRA does not believe that it reduces overall opportunities for members to interact with FINRA staff or serve on committees. As noted in *Special Notice*, FINRA has over 30 advisory and ad hoc committees that include member representatives who routinely provide input and feedback on regulatory initiatives, proposed rule changes, and emerging regulatory issues. FINRA regularly engages with the industry through its public comment process on proposed rule changes. In addition, FINRA conducts member outreach through a number of regularly scheduled events, including member meetings, round tables, district compliance meetings, and conferences.

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

Written comments were neither solicited nor received on the proposed rule change. As noted above, in March 2017, FINRA issued a *Special Notice* on engagement, which solicited comment regarding FINRA's engagement programs, including the District Committees generally, and, in response, several commenters discussed the District Committees.<sup>48</sup>

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

Because the foregoing proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>49</sup> and Rule 19b-4(f)(6) thereunder.<sup>50</sup>

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. 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](mailto:rule-comments@sec.gov). Please include File Number SR-FINRA-2018-021 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.

<sup>48</sup> See *supra* notes 5 and 6.

<sup>49</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>50</sup> 17 CFR 240.19b-4(f)(6).

All submissions should refer to File Number SR-FINRA-2018-021. 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 such filing also will be available for inspection and copying at the principal office of FINRA. 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-FINRA-2018-021, and should be submitted on or before June 21, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>51</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

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## **SECURITIES AND EXCHANGE COMMISSION**

### **Submission for OMB Review; Comment Request**

*Upon Written Request Copies Available From:* U.S. Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736.

#### *Extension:*

OWMI Contract Standard for Contractor Workforce Inclusion; SEC File No.270-666, OMB Control No. 3235-0725

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities

<sup>47</sup> 15 U.S.C. 78o-3(b)(8).

<sup>51</sup> 17 CFR 200.30-3(a)(12).

and Exchange Commission (“Commission”) has submitted to the Office of Management and Budget (“OMB”) a request for extension of the previously approved collection of information discussed below.

Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act) provided that certain agencies, including the Commission, establish an Office of Minority and Women Inclusion (OMWI).<sup>1</sup> Section 342(c)(2) of the Dodd-Frank Act requires the OMWI Director to include in the Commission’s procedures for evaluating contract proposals and hiring service providers a written statement that the contractor shall ensure, to the maximum extent possible, the fair inclusion of women and minorities in the workforce of the contractor and, as applicable, subcontractors.

In addition, section 342(c)(3)(A) of the Dodd-Frank Act requires the OMWI Director to establish standards and procedures for determining whether an agency contractor or subcontractor “has failed to make a good faith effort to include minorities and women” in its workforce. Section 342(c)(3)(B)(i) provides that if the OMWI Director determines that a contractor has failed to make good faith efforts, the Director shall recommend to the agency administrator that the contract be terminated. Upon receipt of such a recommendation, section 342(c)(3)(B)(ii) provides that the agency administrator may terminate the contract, make a referral to the Office of Federal Contract Compliance Programs of the Department of Labor, or take other appropriate action. To implement the acquisition-specific requirements of Section 342(c) of the Dodd-Frank Act, the Commission adopted a Contract Standard for Contractor Workforce Inclusion (Contract Standard).

The Contract Standard, which is included in the Commission’s solicitations and resulting contracts for services with a dollar value of \$100,000 or more, contains a “collection of information” within the meaning of the Paperwork Reduction Act. The Contract Standard requires that a Commission contractor provide documentation, upon request from the OMWI Director, to demonstrate that it has made good faith efforts to ensure the fair inclusion of minorities in its workforce and, as applicable, to demonstrate its covered subcontractors have made such good faith efforts. The documentation requested may include, but is not limited to: (1) The total number of

employees in the contractor’s workforce, and the number of employees by race, ethnicity, gender, and job title or EEO–1 job category (e.g., EEO–1 Report(s)); (2) a list of covered subcontract awards under the contract that includes the dollar amount of each subcontract, date of award, and the subcontractor’s race, ethnicity, and/or gender ownership status; (3) the contractor’s plan to ensure the fair inclusion of minorities and women in its workforce, including outreach efforts; and (4) for each covered subcontractor, the information requested in items 1 and 3 above. The OMWI Director will consider the information submitted in evaluating whether the contractor or subcontractor has complied with its obligations under the Contract Standard.

The information collection is mandatory.

*Estimated number of respondents:*

The Commission estimates that 190 contractors would be subject to the Contract Standard.<sup>2</sup> Approximately 115 of these contractors have 50 or more employees, while 75 have fewer than 50 employees. Since the last approval of this information collection, we adjusted the estimated number of contractors from 170 contractors to 190 contractors based on the number of contractors awarded contracts during the last two years that were subject to the Contract Standard. In addition, we adjusted the number of contractors that have 50 or more employees and the number that have fewer than 50 employees to reflect the percentages of contractors meeting these workforce size thresholds among all contractors reviewed by OMWI for compliance with the Contract Standard during the last two years.

*Estimate of recordkeeping burden:*

The information collection under the Contract Standard imposes no new recordkeeping burden on the estimated 115 contractors that have 50 or more employees. Such contractors are generally subject to recordkeeping and reporting requirements under the regulations implementing Title VII of the Civil Rights Act<sup>3</sup> and Executive Order 11246 (“E.O. 11246”).<sup>4</sup> Their contracts and subcontracts must include the clause implementing E.O. 11246—FAR 52.222–26, Equal Opportunity. In addition, contractors that have 50 or more employees (and a contract or subcontract of \$50,000 or more) are required to maintain records on the race, ethnicity, gender, and EEO–1 job

category of each employee under Department of Labor regulations implementing E.O. 11246.<sup>5</sup> The regulations implementing E.O. 11246 also require contractors that have 50 or more employees (and a contract or subcontract of \$50,000 or more) to demonstrate that they have made good faith efforts to remove identified barriers, expand employment opportunities, and produce measurable results,<sup>6</sup> and to develop and maintain a written program, which describes the policies, practices, and procedures that the contractor uses to ensure that applicants and employees receive equal opportunities for employment and advancement.<sup>7</sup> In lieu of developing a separate plan for workforce inclusion, a contractor may submit its existing written program prescribed by the E.O. 11246 regulations as part of the documentation that demonstrates the contractor’s good faith efforts to ensure the fair inclusion of minorities and women in its workforce. Thus, approximately 115 contractors are already required to maintain the information that may be requested under the Contract Standard.

The estimated 75 contractors that employ fewer than 50 employees are required under the regulations implementing E.O. 11246 to maintain records showing the race, ethnicity and gender of each employee. We believe that these contractors also keep job title information during the normal course of business. However, contractors that have fewer than 50 employees may not have the written program prescribed by the E.O. 11246 regulations or similar plan that could be submitted as part of the documentation to demonstrate their good faith efforts to ensure the fair inclusion of women and minorities in their workforces. Accordingly, contractors with fewer than 50 employees may have to develop a plan to ensure workforce inclusion of minorities and women.

In order to estimate the burden on contractors associated with developing a plan for ensuring the inclusion of minorities and women in their workforces, we considered the burden estimates for developing the written programs required under the regulations implementing E.O. 11246.<sup>8</sup> We also

<sup>5</sup> See 41 CFR 60–1.7.

<sup>6</sup> See 41 CFR 60–2.17(c).

<sup>7</sup> See 41 CFR part 60–2.

<sup>8</sup> According to the Supporting Statement for the OFCCP Recordkeeping and Requirements—Supply Service, OMB Control No. 1250–0003 (“Supporting Statement”), it takes approximately 73 burden hours for contractors with 1–100 employees to develop the initial written program required under

Continued

<sup>1</sup> 12 U.S.C. 5452.

<sup>2</sup> Unless otherwise specified, the term “contractors” refers to contractors and subcontractors.

<sup>3</sup> 42 U.S.C. 2000e, *et seq.*

<sup>4</sup> Executive Order 11246, 30 FR 12,319 (Sept. 24, 1965).

revised the estimated time required to develop and update a plan for workforce inclusion of minorities and women since the last approval of this information collection. Based on OMWI's review of the plans and other documentation submitted by contractors with fewer than 50 employees to demonstrate compliance with the Contract Standard, we believe such contractors would require approximately 25 percent of the hours that contractors of similar size spend on developing the written programs required under the E.O. 11246 regulations. Accordingly, we estimate that contractors would spend about 18 hours of employee resources to develop a plan for workforce inclusion of minorities and women. This one-time implementation burden annualized would be 450 hours. After the initial development, we estimate that each contractor with fewer than 50 employees would spend approximately 8 hours each year updating and maintaining its plan for workforce inclusion of minorities and women. The Commission estimates that the annualized recurring burden associated with the information collection would be 375 hours. Thus, the Commission estimates the annual recordkeeping burden for such contractors would total 825 hours.

The Contract Standard requires contractors to maintain information about covered subcontractors' ownership status, workforce demographics, and workforce inclusion plans. Contractors would request this information from their covered subcontractors, who would have an obligation to keep workforce demographic data and maintain plans for workforce inclusion of minorities and women because the Contract Standard is included in their subcontracts. Based on data describing recent Commission subcontractor activity, we believe that few subcontractors will have subcontracts for services with a dollar value of \$100,000 or more under Commission service contracts.<sup>9</sup> These subcontractors

the regulations implementing E.O. 11246. We understand the quantitative analyses prescribed by the Executive Order regulations at 41 CFR part 60-2 are a time-consuming aspect of the written program development. As there is no requirement to perform these types of quantitative analyses in connection with the plan for workforce inclusion of minorities and women under the Contract Standard, we believe the plan for workforce inclusion will take substantially fewer hours to develop. The Supporting Statement is available at [reginfo.gov](http://www.reginfo.gov).

<sup>9</sup> A search of subcontract awards on the [usaspending.gov](http://usaspending.gov) website showed that three subcontractors in FY 2016 and six subcontractors in FY 2017 had subcontracts of \$100,000 or more. See

may already be subject to similar recordkeeping requirements as principal contractors. Consequently, we believe that any additional requirements imposed on subcontractors would not significantly add to the burden estimates discussed above.

*Estimate of Reporting Burden:* With respect to the reporting burden, we estimate that it would take all contractors on average approximately one hour to retrieve and submit to the OMWI Director the documentation specified in the proposed Contract Standard. We expect to request documentation from up to 100 contractors each year and therefore we estimate the total annual reporting burden to be 100 hours.

On March 19, 2018, the Commission published a notice in the **Federal Register** (83 FR 12042) of its intention to request an extension of this currently approved collection of information, and allowed the public 60 days to submit comments. The Commission received no comments.

Written comments continue to be invited on: (a) Whether this collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden imposed by the collection of information; (c) ways to enhance the quality, utility, and clarity of the information 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.

The public may view the background documentation for this information collection at the following website, [www.reginfo.gov](http://www.reginfo.gov). Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or by sending an email to: [Shagufta.Ahmed@omb.eop.gov](mailto:Shagufta.Ahmed@omb.eop.gov); and (ii) Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE, Washington, DC 20549 or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov). Comments must be submitted to OMB within 30 days of this notice.

data on subcontract awards available at <http://usaspending.gov>.

Dated: May 24, 2018.

**Eduardo A. Aleman,**  
*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-83323; File No. SR-ISE-2018-47]

### Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Memorialize Its Order and Execution Information Into ISE Rule 718, Entitled "Data Feeds"

May 24, 2018.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on May 14, 2018, 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 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 memorialize its order and execution information into ISE Rule 718, entitled "Data Feeds."

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.

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

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