

with the requirements of 39 CFR 3011.301.¹

The Commission invites comments on whether the Postal Service's request(s) in the captioned docket(s) are consistent with the policies of title 39. For request(s) that the Postal Service states concern Market Dominant product(s), applicable statutory and regulatory requirements include 39 U.S.C. 3622, 39 U.S.C. 3642, 39 CFR part 3030, and 39 CFR part 3040, subpart B. For request(s) that the Postal Service states concern Competitive product(s), applicable statutory and regulatory requirements include 39 U.S.C. 3632, 39 U.S.C. 3633, 39 U.S.C. 3642, 39 CFR part 3035, and 39 CFR part 3040, subpart B. Comment deadline(s) for each request appear in section II.

II. Docketed Proceeding(s)

1. *Docket No(s)*: MC2024–200 and CP2024–206; *Filing Title*: USPS Request to Add Priority Mail Express, Priority Mail & USPS Ground Advantage Contract 48 to Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date*: March 4, 2024; *Filing Authority*: 39 U.S.C. 3642, 39 CFR 3040.130 through 3040.135, and 39 CFR 3035.105; *Public Representative*: Jennaca D. Upperman; *Comments Due*: March 12, 2024.

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

Erica A. Barker,
Secretary.

[FR Doc. 2024–04996 Filed 3–7–24; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–99667; File No. SR–CboeBZX–2023–095]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change To List and Trade Shares of the Fidelity Ethereum Fund Under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares

March 4, 2024.

On November 17, 2023, Cboe BZX Exchange, Inc. (“BZX” or “Exchange”) 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 to list and trade shares (“Shares”) of the Fidelity Ethereum Fund (“Trust”) under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares. The proposed rule change was published for comment in the **Federal Register** on December 6, 2023.³

On January 18, 2024, pursuant to section 19(b)(2) of the Act,⁴ the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.⁵ This order institutes proceedings under section 19(b)(2)(B) of the Act ⁶ to determine whether to approve or disapprove the proposed rule change.

I. Summary of the Proposal

As described in more detail in the Notice,⁷ the Exchange proposes to list and trade the Shares of the Trust under BZX Rule 14.11(e)(4), which governs the listing and trading of Commodity-Based Trust Shares on the Exchange.

The investment objective of the Trust is to seek to track the performance of ether, as measured by the performance of the Fidelity Ethereum Index (“Index”), less the Trust's expenses and other liabilities.⁸ The Trust's assets will consist of ether held by the Trust's custodian on behalf of the Trust.⁹ The Trust will value its Shares daily as of 4:00 p.m. Eastern time using the same methodology used to calculate the Index.¹⁰ The administrator of the Trust will calculate the net asset value (“NAV”) of the Trust once each Exchange trading day, and the NAV for a normal trading day will be released after 4:00 p.m. Eastern time.¹¹ For purposes of calculating the Trust's NAV per Share, the Trust's holdings of ether

will be valued using the same methodology as used to calculate the Index.¹² When the Trust sells or redeems its Shares, it will do so in “in-kind” transactions with authorized participants in blocks of Shares.¹³

II. Proceedings To Determine Whether To Approve or Disapprove SR–CboeBZX–2023–095 and Grounds for Disapproval Under Consideration

The Commission is instituting proceedings pursuant to section 19(b)(2)(B) of the Act ¹⁴ to determine whether the proposed rule change should be approved or disapproved. Institution of proceedings is appropriate at this time in view of the legal and policy issues raised by the proposed rule change, as discussed below. Institution of proceedings does not indicate that the Commission has reached any conclusions with respect to any of the issues involved. Rather, as described below, the Commission seeks and encourages interested persons to provide comments on the proposed rule change.

Pursuant to section 19(b)(2)(B) of the Act,¹⁵ the Commission is providing notice of the grounds for disapproval under consideration. The Commission is instituting proceedings to allow for additional analysis of the proposed rule change's consistency with section 6(b)(5) of the Act, which requires, among other things, that the rules of a national securities exchange be “designed to prevent fraudulent and manipulative acts and practices” and “to protect investors and the public interest.” ¹⁶

The Commission asks that commenters address the sufficiency of the Exchange's statements in support of the proposal, which are set forth in the Notice, in addition to any other comments they may wish to submit about the proposed rule change. In particular, the Commission seeks comment on the following questions and asks commenters to submit data where appropriate to support their views:

1. Given the nature of the underlying assets held by the Trust, has the Exchange properly filed its proposal to list and trade the Shares under BZX

² 17 CFR 240.19b–4.

³ See Securities Exchange Act Release No. 99045 (Nov. 30, 2023), 88 FR 84840 (“Notice”). Comments on the proposed rule change are available at: <https://www.sec.gov/comments/sr-cboebzx-2023-095/sr-cboebzx2023095.htm>.

⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 99390, 89 FR 4639 (Jan. 24, 2024). The Commission designated March 5, 2024, as the date by which the Commission shall approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change.

⁶ 15 U.S.C. 78s(b)(2)(B).

⁷ See Notice, *supra* note 3.

⁸ See *id.* at 84842. FD Funds Management LLC (“Sponsor”) is the sponsor of the Trust. See *id.* at 84841.

⁹ See *id.* at 84841. The Trust generally does not intend to hold cash or cash equivalents; however, there may be situations where the Trust would unexpectedly hold cash on a temporary basis. See *id.*

¹⁰ See *id.* at 84842.

¹¹ See *id.* at 84844.

¹² See *id.* at 84843. According to the Exchange, the NAV of the Trust is calculated by taking the fair market value of its total assets based on the volume-weighted median price of ether used for the calculation of the Index, subtracting any liabilities (which include accrued expenses), and dividing that total by the total number of outstanding Shares. See *id.* at 84843–44.

¹³ See *id.* at 84844.

¹⁴ 15 U.S.C. 78s(b)(2)(B).

¹⁵ *Id.*

¹⁶ 15 U.S.C. 78f(b)(5).

¹ See Docket No. RM2018–3, Order Adopting Final Rules Relating to Non-Public Information, June 27, 2018, Attachment A at 19–22 (Order No. 4679).

¹ 15 U.S.C. 78s(b)(1).

Rule 14.11(e)(4), Commodity-Based Trust Shares?¹⁷

2. The Exchange raises substantially similar arguments to support the listing and trading of the Shares as those made in proposals to list and trade spot bitcoin exchange-traded products (“Bitcoin ETPs”). Do commenters agree that arguments to support the listing of Bitcoin ETPs apply equally to the Shares? Are there particular features related to ether and its ecosystem, including its proof of stake consensus mechanism and concentration of control or influence by a few individuals or entities, that raise unique concerns about ether’s susceptibility to fraud and manipulation?

3. What are commenters’ views on whether the proposed Trust and Shares would be susceptible to manipulation? What are commenters’ views generally on whether the Exchange’s proposal is designed to prevent fraudulent and manipulative acts and practices? What are commenters’ views generally with respect to the liquidity and transparency of the ether markets and the ether markets’ susceptibility to manipulation?

4. Based on data and analysis provided and the academic research cited by the Exchange,¹⁸ do commenters agree with the Exchange that the Chicago Mercantile Exchange (“CME”), on which CME ether futures trade, represents a regulated market of significant size related to spot ether?¹⁹ What are commenters’ views on whether there is a reasonable likelihood that a person attempting to manipulate the Shares would also have to trade on the CME to manipulate the Shares?²⁰ Do commenters agree with the Exchange that trading in the Shares would not be the predominant influence on prices in the CME ether futures market?²¹

5. The Exchange states that ether is resistant to price manipulation and that other means to prevent fraudulent and manipulative acts and practices “exist to justify dispensing with the requisite surveillance sharing agreement” with a regulated market of significant size

related to spot ether.²² In support, the Exchange states, among other things, that the geographically diverse and continuous nature of ether trading make it difficult and prohibitively costly to manipulate the price of ether, and that the fragmentation across ether platforms, the relatively slow speed of transactions, and the capital necessary to maintain a significant presence on each trading platform make manipulation of ether prices through continuous trading activity challenging.²³ Do commenters agree with the Exchange’s statements regarding the ether market’s resistance to price manipulation?

6. The Exchange also states that it will execute a surveillance-sharing agreement with Coinbase, Inc. (“Coinbase”) that is intended to supplement the Exchange’s market surveillance program.²⁴ According to the Exchange, the agreement is “expected to have the hallmarks of a surveillance-sharing agreement between two members of the [Intermarket Surveillance Group], which would give the Exchange supplemental access to data regarding spot [ether] trades on Coinbase where the Exchange determines it is necessary as part of its surveillance program for the Commodity-Based Trust Shares.”²⁵ Based on the description of the surveillance-sharing agreement as provided by the Exchange, what are commenters’ views of such an agreement if finalized and executed? Do commenters agree with the Exchange that such an agreement with Coinbase would be “helpful in detecting, investigating, and deterring fraud and market manipulation in the Commodity-Based Trust Shares”?²⁶

7. The Exchange states that there is a “similarly high correlation between spot [ether]/CME [ether] [f]utures and spot bitcoin/CME [b]itcoin [f]utures ([O].998 vs. [O].999, respectively)” and that this indicates that there is a reasonable likelihood that a person attempting to manipulate the Trust would also have to trade on the CME ether futures market.²⁷ What are commenters’ views on the correlation between the ether spot market and the CME ether futures market? What are commenters’ views on the extent to which a surveillance-

sharing agreement with the CME would assist in detecting and deterring fraud and manipulation that impacts an exchange-traded product (“ETP”) that holds spot ether, and on whether the Sponsor’s daily price correlation analysis provides any evidence to this effect? What are commenters’ views generally on whether an ETP that holds CME ether futures and an ETP that holds spot ether are similar products?

III. Procedure: Request for Written Comments

The Commission requests that interested persons provide written submissions of their views, data, and arguments with respect to the issues identified above, as well as any other concerns they may have with the proposal. In particular, the Commission invites the written views of interested persons concerning whether the proposal is consistent with section 6(b)(5) or any other provision of the Act, and the rules and regulations thereunder. Although there do not appear to be any issues relevant to approval or disapproval that would be facilitated by an oral presentation of views, data, and arguments, the Commission will consider, pursuant to Rule 19b–4, any request for an opportunity to make an oral presentation.²⁸

Interested persons are invited to submit written data, views, and arguments regarding whether the proposed rule change should be approved or disapproved by March 29, 2024. Any person who wishes to file a rebuttal to any other person’s submission must file that rebuttal by April 12, 2024.

Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission’s internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR–CboeBZX–2023–095 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange

¹⁷ BZX Rule 14.11(e)(4)(C)(i) defines the term “Commodity-Based Trust Shares” as a security (a) that is issued by a trust that holds (1) a specified commodity deposited with the trust, or (2) a specified commodity and, in addition to such specified commodity, cash; (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/or cash; 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 and/or cash.

¹⁸ See Notice, 88 FR at 84845–49.

¹⁹ See *id.* at 84847–49.

²⁰ See *id.* at 84848–49.

²¹ See *id.* at 84849.

²² See *id.* at 84847 n.31.

²³ See *id.*

²⁴ See *id.* at 84849.

²⁵ See *id.* The Exchange states that “[t]his means that the Exchange expects to receive market data for orders and trades from Coinbase, which it will utilize in surveillance of the trading of Commodity-Based Trust Shares.” *Id.*

²⁶ See *id.*

²⁷ See *id.* at 84848.

²⁸ Section 19(b)(2) of the Act, as amended by the Securities Acts Amendments of 1975, Public Law 94–29 (June 4, 1975), grants the Commission flexibility to determine what type of proceeding—either oral or notice and opportunity for written comments—is appropriate for consideration of a particular proposal by a self-regulatory organization. See Securities Acts Amendments of 1975, Senate Comm. on Banking, Housing & Urban Affairs, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–CboeBZX–2023–095. 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 (<https://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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–CboeBZX–2023–095 and should be submitted on or before March 29, 2024. Rebuttal comments should be submitted by April 12, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁹

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2024–04929 Filed 3–7–24; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–99663; File No. SR–NYSE–2024–11]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Modify Rule 7.31

March 4, 2024.

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 February 26, 2024, New York Stock Exchange LLC (“NYSE” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II 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 modify Rule 7.31 regarding Discretionary Orders and Primary Pegged Orders. 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 7.31 regarding Discretionary

Orders (“D Orders”) and Primary Pegged Orders.

D Orders

Rule 7.31(d)(4) defines a D Order as a Limit Order that may trade at an undisplayed discretionary price. A D Order must be designated Day, may be designated as routable or non-routable, and on entry, must have a minimum of one round lot displayed. D Orders are available only to Floor Brokers and are eligible to be traded in the Core Trading Session only.

Rule 7.31(d)(4)(A) and subparagraphs (i) and (ii) thereunder provide that, on arrival, a Floor Broker must specify that a D Order be a Limit Price D Order or Midpoint Price D Order.⁴ Rule 7.31(d)(4)(B) provides that the working and display price of a D Order to buy (sell) will be pegged to the PBB (PBO). If the PBB (PBO) is higher (lower) than the limit price of a D Order to buy (sell), the working and display price will be the limit price of the order. A D Order to buy (sell) will be cancelled if there is no PBB (PBO) against which to peg. At its display price, a D Order is ranked Priority 2—Display Orders. As set forth in Rule 7.31(d)(4)(B)(i), if after arrival, the PBBO becomes locked or crossed, a D Order will wait for a PBBO that is not locked or crossed before the display and working price are adjusted and remains eligible to trade at its current working price.

A resting D Order to buy (sell) is eligible to exercise discretion up (down) to the limit price of the order, as described in Rule 7.31(d)(4)(C). A D Order will not exercise discretion if the PBBO is locked or crossed or if there is no Midpoint Price. Rule 7.31(d)(4)(C)(i) further provides that a D Order to buy (sell) will be triggered to exercise discretion if the price of an Aggressing Order to sell (buy) is above (below) the PBB (PBO) and at or below (above) the Midpoint Price (the “discretionary price range”). Rule 7.31(d)(4)(C)(ii) provides that the discretionary price at which a

⁴ On arrival, a Limit Price D Order to buy (sell) will trade with sell (buy) orders on the Exchange Book or, if designated as routable, route to an Away Market, up (down) to the limit price of the order. If after trading and routing the PBBO is locked or crossed or there is no PBB (PBO), a Limit Price D Order will be cancelled. For a Limit Price D Order that is partially routed to an Away Market on arrival, any returned quantity of such D Order will join the working price of the resting odd-lot quantity of the D Order. See Rule 7.31(d)(4)(A)(i). On arrival, a Midpoint Price D Order to buy (sell) will trade with sell (buy) orders on the Exchange Book up (down) to the lower (higher) of the midpoint of the PBBO (“Midpoint Price”) or the limit price of the order. A Midpoint Price D Order will not route on arrival, even if designated as routable. If the PBBO is locked or crossed or if the Midpoint Price is unavailable, a Midpoint Price D Order will be rejected. See Rule 7.31(d)(4)(A)(ii).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b–4.

²⁹ 17 CFR 200.30–3(a)(57).