

Dollar Index in accordance with ISE Rule 2013.

### *Surveillance and Capacity*

The Exchange represents that it has an adequate surveillance program in place for options traded on the Dollar Index, and intends to apply those same program procedures that it applies to the Exchange's other options products.<sup>22</sup> Further, options on the Dollar Index will be covered by the Exchange's existing surveillance system architecture and processes. Additionally, the Exchange will have access to information sharing resources in its capacity as a member of the Intermarket Surveillance Group. The Exchange represents that it has the necessary system capacity to support additional quotations and messages that will result from the listing and trading of options on the Dollar Index.<sup>23</sup>

### **III. Discussion and Commission Findings**

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.<sup>24</sup> Specifically, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,<sup>25</sup> 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 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 believes that the listing and trading of options on the Dollar Index will provide additional trading opportunities for investors in an index that reflects U.S. Dollar fluctuations against a basket of four highly liquid currencies (the euro, British pound, Japanese yen, and the Australian dollar). Investors will be able to trade this product through their existing broker-dealer on the Exchange and will be able to benefit from any investor safeguards incorporated into the Exchange's rules.

In addition, the Commission believes that allowing options on the Dollar Index to trade in penny (\$0.01)

increments is appropriate and consistent with the Act.<sup>26</sup> First, the spot currencies on which the Dollar Index is based are quoted in small increments, often less than a penny. Furthermore, there is a considerable amount of liquidity in the spot foreign currency markets for the individual currency pairs, and those markets generally exhibit low volatility both for the individual currency pairs as well as the Dollar Index. These factors support allowing options on the Dollar Index to be quoted and traded in penny increments. Quoting in penny increments may allow market makers to quote more competitively and with narrower spreads than they otherwise might be able to do with an artificially larger minimum increment, which could benefit investors.

The Exchange has represented that it has an adequate surveillance program in place for options on the Dollar Index and intends to apply the same procedures for surveillance that it applies to its other index options.<sup>27</sup> The options also will be subject to the trading halt procedures applicable to index options traded on the Exchange.<sup>28</sup> The Commission notes the Exchange's representations that it has the necessary systems capacity to support the trading of options on the Dollar Index.<sup>29</sup>

The proposed listing standards require the current value of the Dollar Index to be widely disseminated at least once every 15 seconds by one or more major market data vendors during the time options on the index are traded on the Exchange. The Exchange, moreover, has represented that the total number of components in the Dollar Index will not decrease from the number of components in the Dollar Index at the time of its initial listing.<sup>30</sup>

The Commission notes that the Exchange proposes to apply its existing index rules regarding the listing of new series and additional series to options on the Dollar Index. Specifically, exercise prices will be required to be reasonably related to the value of the underlying index and generally must be within 30% of the current index value.<sup>31</sup>

In addition, the Exchange has stated that options on the Dollar Index would be subject to the same rules that govern

all Exchange index options, including rules that are designed to protect public customer trading.<sup>32</sup>

The Commission believes that the Exchange's proposed position and exercise limits, strike price intervals, margin, and other aspects of the proposed rule change are appropriate and consistent with the Act. The Commission notes that the proposed position limits for the Dollar Index are equal to or lower than the position limits for individual foreign currency options on the four currency pairs comprising the Dollar Index.<sup>33</sup> In addition, the margin level required for trading options on the Dollar Index is identical to the highest margin required for a component foreign currency as determined in accordance with ISE Rule 1202(d).<sup>34</sup>

### **IV. Conclusion**

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>35</sup> that the proposed rule change (SR-ISE-2013-14), be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>36</sup>

**Kevin M. O'Neill,**  
*Deputy Secretary.*

[FR Doc. 2013-09065 Filed 4-17-13; 8:45 am]

**BILLING CODE 8011-01-P**

### **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-69368; File No. SR-BOX-2013-20]

#### **Self-Regulatory Organizations; BOX Options Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Suspend Certain Provisions in Rule 7170 Regarding Obvious Errors During Limit Up-Limit Down States in Securities That Underlie Options Traded on the Exchange on a Pilot Basis**

April 12, 2013.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act" or "Exchange Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 8, 2013, BOX Options Exchange LLC (the "Exchange") filed with the Securities and Exchange

<sup>32</sup> See *supra* note 21.

<sup>33</sup> See *supra* note 17. The same limits that apply to positions limits apply equally to exercise limits for options on the Dollar Index. See *supra* note 18.

<sup>34</sup> See ISE Rule 1202(e).

<sup>35</sup> 15 U.S.C. 78s(b)(2).

<sup>36</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>22</sup> See Notice, *supra* note 3, 78 FR at 13720.

<sup>23</sup> See *id.*

<sup>24</sup> In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation.

<sup>25</sup> 15 U.S.C. 78f(b)(5).

<sup>26</sup> Though options on the Dollar Index fall under the Exchange's index options rules and not its FX Options rules, the Commission notes that options on the Exchange's FX Options are quoted in penny increments on the Exchange.

<sup>27</sup> See *supra* note 22.

<sup>28</sup> See *supra* note 11.

<sup>29</sup> See *supra* note 23.

<sup>30</sup> See *supra* note 7.

<sup>31</sup> See ISE Rule 2009(c)(3) and (4).

Commission (“Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule from interested persons.

### **I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change**

The Exchange proposes to amend IM-7080-1 (Trading Conditions During Limit State or Straddle State) to permit the Exchange to suspend certain provisions in BOX Rule 7170 (Obvious and Catastrophic Errors) during limit up-limit down states in securities that underlie options traded on the Exchange on a pilot basis. The text of the proposed rule change is available from the principal office of the Exchange, at the Commission’s Public Reference Room and also on the Exchange’s Internet Web site at <http://boxexchange.com>.

### **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 these statements may be examined at the places specified in Item IV below. The self-regulatory organization 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 Exchange proposes to amend IM-7080-1 (Trading Conditions During Limit State or Straddle State) to permit the Exchange to suspend certain provisions in BOX Rule 7170 (Obvious and Catastrophic Errors) during limit up-limit down states in securities that underlie options traded on the Exchange on a pilot basis. This is a competitive filing that is based on a proposal recently submitted by International Securities Exchange, LLC (“ISE”) and approved by the Commission.<sup>3</sup>

##### **Background**

On May 31, 2012, the Commission approved the Plan to Address

Extraordinary Market Volatility (the “Plan”),<sup>4</sup> which establishes procedures to address extraordinary volatility in NMS Stocks. The procedures provide for market-wide limit up-limit down requirements that prevent trades in individual NMS Stocks from occurring outside of specified Price Bands. These limit up-limit down requirements are coupled with Trading Pauses to accommodate more fundamental price moves. The Plan procedures are designed, among other things, to protect investors and promote fair and orderly markets.<sup>5</sup>

BOX is not a participant in the Plan because it does not trade NMS Stocks. However, BOX trades options contracts overlying NMS Stocks. Because options pricing models are highly dependent on the price of the underlying security and the ability of options traders to effect hedging transactions in the underlying security, the implementation of the Plan will impact the trading of options classes traded on the Exchange. Specifically, under the Plan, upper and lower price bands will be calculated based on a reference price for each NMS Stock.<sup>6</sup> When one side of the market for an individual security is outside the applicable price band, the national best bid or national best offer will be disseminated with a flag identifying it as non-executable (i.e., a “Straddle State”). When the other side of the market reaches the applicable price band, such national best bid or offer will be disseminated with a flag identifying it as a Limit State Quotation.<sup>7</sup> If trading for a security does not exit a Limit State within 15 seconds, a Trading Pause will be declared by the Primary Listing Exchange.<sup>8</sup> The Trading Pause will last at least five minutes<sup>9</sup> and will end when

<sup>4</sup> Securities Exchange Act Release No. 67091 (May 31, 2012), 77 FR 33498 (June 6, 2012) (File No. 4-631) (“Plan Approval Order”).

<sup>5</sup> *Id.* at 33511 (Preamble to the Plan).

<sup>6</sup> The reference price equals the arithmetic mean price of eligible reported transactions for the NMS Stock over the immediately preceding five-minute period. See Section I(T) of the Plan.

<sup>7</sup> See Section I(D) of the Plan. The Limit State will end when the entire size of all Limit State Quotations are executed or cancelled.

<sup>8</sup> See Section VII(A) of the Plan. The Primary Listing Exchange is the market on which an NMS Stock is listed. If an NMS Stock is listed on more than one market, the Primary Listing Exchange is the market on which the security has been listed the longest. See Section I(O) of the Plan. A trading pause may also be declared when the national best bid (offer) is below (above) the lower (upper) price band and the security is not in a Limit State, and trading in that security deviates from normal trading characteristics. See Section VII(A)(2) of the Plan.

<sup>9</sup> A Trading Pause may last longer than 5 minutes if, for example, the Primary Market declares a Regulatory Halt, or if there is a significant order imbalance. See Section VII(B) of the Plan. If the

the Primary Listing Exchange disseminates a Reopening Price.<sup>10</sup>

##### **Proposal**

When the national best bid (offer) for a security underlying an options class is non-executable, the ability for options market participants to purchase (sell) shares of the underlying security and the price at which they may be able to purchase (sell) shares will become uncertain, as there will be a lack of transparency regarding the availability of liquidity for the security.<sup>11</sup> This uncertainty will be factored into the options pricing models of market professionals, such as options market makers, which will likely result in wider spreads and less liquidity at the best bid and offer for the options class. Accordingly, during a Limit State, the Exchange will automatically reject all incoming orders that do not contain a limit price to protect them from being executed at prices that may be vastly inferior to the prices available immediately prior to or following a Limit State or Straddle State.<sup>12</sup> Such un-priced orders include Market Orders and BOX-Top Orders, which become market orders when the stop price is elected. The Exchange will also cancel any resting Market Orders and BOX-Top Orders.

The Exchange proposes to exclude transactions executed during a Limit State or Straddle State from certain provisions in BOX Rule 7170, on a one-year pilot basis. This will not include Rule 7170(e) and (f), which specify when a trade resulting from an erroneous print or quote in the underlying security may be adjusted or busted.

The remaining provisions in BOX Rule 7170 provide a process by which a transaction may be busted or adjusted

Primary Listing Exchange does not report a Reopening Price within ten minutes after the declaration of a trading Pause and has not declared a Regulatory Halt, all trading centers may begin trading the security. *Id.*

<sup>10</sup> The Reopening Price is the price of a transaction that reopens trading on the Primary Listing Exchange following a Trading Pause or a Regulatory Halt, or, if the Primary Listing Exchange reopens with quotations, the midpoint of those quotations. The Exchange notes that under BOX Rule IM-7080-11 (IM-7080-12 as of 4/7), trading on the Exchange is halted whenever trading in the underlying security has been paused by the primary listing market. Accordingly, the Exchange need not adopt any rule changes to address this aspect of the Plan.

<sup>11</sup> See Letter to Boris Ilyevsky, Managing Director, ISE, from Thomas Price, Managing Director, Securities Industry and Financial Markets Association, dated October 4, 2012 (“SIFMA Letter”).

<sup>12</sup> See Securities Exchange Act Release No. 69186 (March 20, 2013), 78 FR 18413 (March 26, 2013) (SR-BOX-2013-12).

<sup>3</sup> See Securities Exchange Act Release No. 69329 (April 5, 2013) (SR-ISE-2013-22).

when the execution price of a transaction deviates from the option's theoretical price by a certain amount. Under these provisions, the theoretical price is the national best bid price for the option with respect to a sell order and the national best offer for the option with respect to a buy order.<sup>13</sup> As discussed above, during a Limit State or Straddle State, options prices may deviate substantially from those available prior to or following the limit state. The Exchange believes these provisions would give rise to much uncertainty for market participants as there is no bright line definition of what the "theoretical value" should be for an option when the underlying NMS stock has an unexecutable bid or offer or both. Determining "theoretical value" in such a situation would be often times very subjective as opposed to an objective determination, giving rise to additional uncertainty and confusion for investors. Accordingly, the Exchange does not believe that the approach employed under Rule 7170, which by definition depends upon a reliable national best bid and offer in the option, is appropriate during a Limit State or Straddle State.<sup>14</sup>

After careful consideration, the Exchange believes the application of the current provisions in Rule 7170 would be impracticable given the lack of a reliable national best bid or offer in the options market during Limit States and Straddle States, and produce undesirable effects. Pursuant to Rule 7170, market participants have five minutes (in the case of a Market Maker) and 20 minutes (in the case of a non-Market Maker Options Participant) to notify the Exchange to review a transaction as an obvious error under 7170(g)(1) and Participants have until 8:30 a.m. the following day to request that the Exchange review a trade as a catastrophic error under Rule 7170(h)(1).<sup>15</sup> The Exchange believes that during periods of extraordinary

volatility, the review period for transactions under the obvious error and catastrophic error provisions would allow market participants to re-evaluate a transaction that occurred during a Limit State or Straddle State at a later time, which is potentially unfair to other market participants and would discourage market participants from providing liquidity during Limit States or Straddle States. For example, 20 minutes after a transaction that occurs during extraordinary volatility that triggers a Limit State or Straddle State the market could look drastically different from a price and liquidity level. The Exchange believes that market participants should not be able to benefit from the time frame to review their transactions in these situations. Suspending application of certain provisions in Rule 7170 would mitigate two of the undesirable aspects described above—(i) the moral hazard associated with granting a second look to trades that went against the market participant after market conditions have changed and (ii) gaming the obvious error rule to retroactively adjust market maker quotes by adjusting the execution price at a later time.

The Exchange notes that there are additional protections in place outside of the Obvious and Catastrophic Error Rule that will continue to safeguard customers. First, SEC Rule 15c3–5 requires that, "financial risk management controls and supervisory procedures must be reasonably designed to prevent the entry of orders that exceed appropriate pre-set credit or capital thresholds, or that appear to be erroneous."<sup>16</sup> Secondly, the Exchange has price checks applicable to limit orders that reject limit orders that are priced sufficiently far through the NBBO that it seems likely an error occurred. The requirements placed upon broker dealers to adopt controls to prevent the entry of orders that appear to be erroneous, coupled with Exchange functionality that filters out orders that appear to be erroneous, serve to sharply reduce the incidence of errors arising from situations where, for example, a participant mistakenly enters an order to pay \$20 for an option offered at \$2. The Exchange also notes that pursuant to BOX Rule 7230(e), the Exchange may compensate Options Participants for losses resulting directly from the malfunction of the Exchange's systems, and that this protection is independent from the provisions in BOX Rule 7170. Accordingly, the Exchange believes it is

appropriate to eliminate any potential protection applying the obvious error rule might provide during Limit and Straddle States, as its application may produce inequitable results.

The Exchange notes that Rule 15010 (Order Protection) will continue to apply during Limit and Straddle States. Accordingly, only orders identified as Intermarket Sweep Orders will trade through protected bids and offers during Limit and Straddle States, and as a result, the only trades that would potentially have been reviewed under Rule 7170 during Limit and Straddle States are those involving Intermarket Sweep Orders. The Exchange believes that this is an additional factor that supports its proposal to suspend certain provisions in Rule 7170 during Limit and Straddle States.

The Exchange proposes to review the operation of this proposal during the one-year pilot period from the operative date and analyze the impact of the Limit and Straddle States accordingly.<sup>17</sup> In this respect, the Exchange notes that its current obvious error rule does not contain a provision that permits the Exchange to review trades on its own motion. The Exchange believes that in normal market conditions, such a provision is not necessary and undermines the objective nature of the rule. However, during the pilot period, the Exchange will evaluate whether adopting such a provision for reviewing trades during Limit and Straddle states is necessary and appropriate.

Additionally, the Exchange represents that it will conduct its own analysis concerning the elimination of the obvious error rule during Limit and Straddle States and agrees to provide the Commission with relevant data to assess the impact of this proposed rule change. As part of its analysis, the Exchange will evaluate (1) the options market quality during Limit and Straddle States, (2) assess the character of incoming order flow and transactions during Limit and Straddle States, and (3) review any complaints from members and their customers concerning executions during Limit and Straddle States. The Exchange also agrees to provide to the Commission data requested to evaluate the impact of the elimination of the obvious error rule, including data relevant to assessing the various analyses noted above. The Exchange notes that these proposed changes are consistent with the views of the Securities Industry and

<sup>13</sup> Rule 7170 provides that if there are no quotes from other options exchanges for comparison purposes, the theoretical price will be determined by designated personnel in the MRC. However, given that options market makers and other industry professionals will have difficulty pricing options during Limit States and Straddle States, the Exchange does not believe it would be reasonable for BOX personnel to derive theoretical prices to be applied to transactions executed during such unusual market conditions.

<sup>14</sup> See SIFMA Letter, *supra* note 11 (requesting that exchange obvious error rules that reference theoretical prices be reviewed to ensure that options exchange officials do not have the discretion to cancel executions of limit orders and stop limit orders during a limit or straddle state).

<sup>15</sup> For transactions in expiring options series that take place on expiration Friday, a Participant must notify MOC by 5:00 p.m. Eastern Time on that same day. See Rule 7170(h)(1).

<sup>16</sup> See Securities and Exchange Act Release No. 63241, 75 FR 69791 (November 15, 2010) (S7–03–10).

<sup>17</sup> During the pilot, the Exchange will provide the Commission with data regarding the how Limit and Straddle States affect the quality of the options market.

Financial Markets Association's ("SIFMA") Listed Options Trading Committee.<sup>18</sup>

Specifically, the Exchange agrees to provide the following data to the Commission to help evaluate the impact of the proposal. At least two months prior to the end of the pilot period the Exchange shall provide an assessment that evaluates the statistical and economic impact of Straddle States on liquidity and market quality in the options markets; and assess whether the lack of obvious error rules in effect during the Straddle and Limit States is problematic. On a monthly basis, the Exchange shall provide both the Commission and public a dataset containing the data for each Straddle and Limit State in optionable stocks.<sup>19</sup>

## 2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Securities Exchange Act of 1934 (the "Act"),<sup>20</sup> in general, and Section 6(b)(4) of the Act,<sup>21</sup> in particular, in that 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 it is necessary and appropriate in the interest of promoting fair and orderly markets to exclude transactions executed during a Limit State or Straddle State from the provision of BOX Rule 7170. The Exchange believes the application of the current rule will be impracticable given the lack of a reliable national best bid or offer in the options market during Limit States and Straddle States, and that the resulting actions (*i.e.*, busted trades or adjusted prices) may not be appropriate given market conditions. This change would ensure that limit orders that are filled during a Limit State or Straddle State would have certainty of execution in a manner that promotes just and equitable principles of trade, removes impediments to, and perfects the mechanism of a free and open market and a national market system. Moreover, given that options prices during brief Limit States or Straddle States may deviate substantially from those available shortly following the Limit State or Straddle State, the Exchange believes giving market participants five minutes (in the case of a Market Maker) and 20 minutes (in the case of a non-Market Maker Options Participant) to re-evaluate a transaction would create an unreasonable adverse selection opportunity that would discourage participants from providing liquidity during Limit States or Straddle States. In this respect, the Exchange notes that by rejecting market orders and cancelling pending market orders, only those orders with a limit price will be executed during a Limit State or Straddle State. Therefore, on balance, the Exchange believes that removing the potential inequity of busting or adjusting executions occurring during Limit States or Straddle States outweighs any potential benefits from applying Rule 7170 during such unusual market conditions. Additionally, as discussed above, there are additional pre-trade protections in place outside of the Obvious and Catastrophic Error Rule that will continue to safeguard customers.

## 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. In this regard and as indicated above, the Exchange notes that the rule change is being proposed as a competitive response to a filing submitted by ISE that was recently

approved by the Commission.<sup>22</sup> The Exchange does not believe that the proposal will have any impact on competition among exchanges or market participants on the Exchange, as the proposal provides that transactions executed during such states will not be reviewed pursuant to provisions in Rule 7170.

## 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 comments on the proposed rule change.

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

Because the foregoing proposed rule change does not significantly affect the protection of investors or the public interest, does not impose any significant burden on competition, and, by its terms, does not 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>23</sup> and Rule 19b-4(f)(6) thereunder.<sup>24</sup>

The Exchange has requested that the Commission waive the 30-day operative delay. The Commission believes that waiver of the operative delay is consistent with the protection of investors and the public interest because the proposal is substantially similar to those of other exchanges that have been approved by the Commission to exclude transactions executed during a Limit State or Straddle State from certain provisions of the obvious error rules.<sup>25</sup> Further, the Commission notes that the Plan, to which these rules relate, was implemented on April 8, 2013. Therefore, the Commission designates the proposal operative upon filing.<sup>26</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

<sup>22</sup> See *supra* note 3.

<sup>23</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>24</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the Exchange to give the Commission written notice of the Exchange's intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

<sup>25</sup> See, e.g., *supra* note 3.

<sup>26</sup> For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>18</sup> *Id.*

<sup>19</sup> The dataset will include the options for each underlying security that reaches a straddle state and meets the following conditions: the option is more than 20% in the money (strike price remains < 80% of last stock trade price for calls and strike price remains > 120% of last stock trade price for puts when the straddle or limit state is reached); the option has at least 2 trades during the straddle or limit state; and any of the top 10 options (as ranked by overall contract volume on that day) that meet the conditions above. For each of those options affected the data record will contain the stock symbol, option symbol, time at the start of the straddle or limit state, an indicator for whether it is a straddle or limit state. For activity on the Exchange the data record will contain the executed volume, time-weighted quoted bid-ask spread, time-weighted average quoted depth at the bid, time-weighted average quoted depth at the offer, high execution price, low execution price, number of trades for which a request for review for error was received during straddle or limit states, an indicator variable for whether those options outlined above have a price change exceeding 30% during the underlying stock's straddle or limit state compared to the last available option price as reported by OPRA before the start of the straddle or limit state (1 if observe 30% and 0 otherwise), and another indicator variable for whether the option price within five minutes of the underlying stock leaving straddle or limit state (or halt if applicable) is 30% away from the price before the start of the straddle or limit state.

<sup>20</sup> 15 U.S.C. 78f(b).

<sup>21</sup> 15 U.S.C. 78f(b)(4).

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](mailto:rule-comments@sec.gov). Please include File Number SR-BOX-2013-20 on the subject line.

##### *Paper Comments*

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-BOX-2013-20. 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 Web site (<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 Web site 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; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-BOX-

2013-20 and should be submitted on or before May 9, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>27</sup>

**Elizabeth M. Murphy,**  
*Secretary.*

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**BILLING CODE 8011-01-P**

#### DEPARTMENT OF STATE

##### [Public Notice 8278]

#### **Issuance of a Presidential Permit Authorizing the State of Michigan to Construct, Connect, Operate, and Maintain at the Border of the United States a Bridge Linking Detroit, Michigan, and Windsor, Ontario**

**SUMMARY:** The Department of State issued a Presidential Permit to the State of Michigan on April 11, 2013, authorizing the permittee to construct, connect, operate and maintain at the border of the United States a bridge linking Detroit, Michigan and Windsor, Ontario. In making this determination, the Department provided public notice of the proposed amendment (77 FR 7951, July 11, 2012), offered the opportunity for comment and consulted with other federal agencies, as required by Executive Order 11423, as amended.

**FOR FURTHER INFORMATION CONTACT:** Josh Rubin, Canada Border Affairs Officer, via email at [WHACanInternal@state.gov](mailto:WHACanInternal@state.gov), by phone at 202 647-2256 or by mail at Office of Canadian Affairs—Room 1329, Department of State, 2201 C St., NW., Washington, DC 20520. Information about Presidential permits is available on the Internet at <http://www.state.gov/p/wha/rt/permit/>.

**SUPPLEMENTARY INFORMATION:** The following is the text of the issued permit:

By virtue of the authority vested in me as Under Secretary of State for Economic Growth, Energy, and the Environment, including those authorities under Executive Order 11423, 33 FR 11741, as amended by Executive Order 12847 of May 17, 1993, 58 FR 29511, Executive Order 13284 of January 23, 2003, 68 FR 4075, and Executive Order 13337 of April 30, 2004, 69 FR 25299; and Department of State Delegation of Authority 118-2 of January 26, 2006; having considered the environmental effects of the proposed action consistent with the National Environmental Policy Act of 1969 (83 Stat. 852; 42 U.S.C. 4321 et seq.) and other statutes relating to environmental

concerns; having considered the proposed action consistent with the National Historic Preservation Act (80 Stat. 917, 16 U.S.C. 470f et seq.); and having requested and received the views of various of the federal departments and other interested persons; I hereby grant permission, subject to the conditions herein set forth, to the State of Michigan (hereinafter referred to as "permittee") to construct, connect, operate, and maintain a new international bridge (the New International Trade Crossing) between Detroit, Michigan, and Windsor, Ontario, Canada.

The term "facilities" as used in this permit means the bridge and any land, structure, or installations appurtenant thereto, at the location set forth in the Preferred Alternative in the "Detroit River International Crossing (DRIC), Wayne County, Michigan, Final Environmental Impact Statement and Final Section 4(f) Evaluation" by the U.S. Department of Transportation, Federal Highway Administration and Michigan Department of Transportation, dated November 21, 2008, the Record of Decision of the Federal Highway Administration dated January 14, 2009, and the application for a Presidential permit submitted by the State of Michigan dated June 18, 2012.

The term "United States facilities" as used in this permit means that part of the facilities in the United States.

This permit is subject to the following conditions:

**Article 1.** (1) The United States facilities herein described, and all aspects of their operation, shall be subject to all the conditions, provisions, and requirements of this permit and any amendment thereof. This permit may be terminated at the will of the Secretary of State or the Secretary's delegate or may be amended by the Secretary of State or the Secretary's delegate at will or upon proper application therefore. The permittee shall make no substantial change in the location of the United States facilities or in the operation authorized by this permit until such changes have been approved by the Secretary of State or the Secretary's delegate.

(2) The construction, operation and maintenance of the United States facilities shall be in all material respects as described in the permittee's June 18, 2012, application for a Presidential Permit (the "Application").

**Article 2.** (1) The standards for, and the manner of, the construction, operation, and maintenance of the United States facilities shall be subject to inspection and approval by the representatives of appropriate federal,

<sup>27</sup> 17 CFR 200.30-3(a)(12).