

member shall have an alternate who shall have the same qualifications as the member.

\* \* \* \* \*

■ 3. Revise § 956.21 to read as follows:

**§ 956.21 Term of office.**

(a) Except as otherwise provided in paragraph (b) of this section, the term of office of grower and handler Committee members and their respective alternates shall be two years beginning on June 1. The terms shall be determined so that one-half of the grower membership and one-half of the handler membership shall terminate every year. Members and alternates shall serve during the term of office for which they are selected and have been qualified, or during that portion thereof beginning on the date on which they qualify during such term of office and continuing until the end thereof, or until their successors are selected and have qualified.

(b) The term of office of the initial members and alternates shall begin as soon as possible after the effective date of this subpart. One-half of the initial industry grower and handler members and alternates shall serve for a one year term and one-half shall serve for a two year term. The initial, as well as all successive terms of office of the public member and alternate member shall be for three years.

(c) The consecutive terms of office for all members shall be limited to two two-year terms. There shall be no such limitation for alternate members.

■ 4. Revise § 956.28 to read as follows:

**§ 956.28 Procedure**

(a) Four members of the Committee shall constitute a quorum, and four concurring votes shall be required to pass any motion or approve any Committee action, except that recommendations made pursuant to § 956.61 shall require five concurring votes.

\* \* \* \* \*

Dated: July 19, 2018.

**Bruce Summers,**

*Administrator, Agricultural Marketing Service.*

[FR Doc. 2018-15792 Filed 7-23-18; 8:45 am]

**BILLING CODE 3410-02-P**

**DEPARTMENT OF TRANSPORTATION**

**Federal Aviation Administration**

**14 CFR Part 71**

[Docket No. FAA-2014-0878; Airspace Docket No. 14-AWP-10]

RIN 2120-AA66

**Proposed Amendment of Class D and Class E Airspace, and Establishment of Class E Airspace; Honolulu, HI**

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Notice of proposed rulemaking (NPRM).

**SUMMARY:** This action proposes to modify Class D airspace, and Class E airspace extending upward from 700 feet above the surface, and establish Class E surface area airspace at Wheeler Army Airfield (AAF), Honolulu, HI. This action also would update the airport name and geographic coordinates in the associated Class D and E airspace areas to match the FAA's aeronautical database, and would replace outdated language in the airspace description. An editorial change to the airspace designations also would be made.

**DATES:** Comments must be received on or before September 7, 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-2014-0878; Airspace Docket No. 14-AWP-10, at the beginning of your comments. You may also submit comments through the internet at <http://www.regulations.gov>.

FAA Order 7400.11B, Airspace Designations and Reporting Points, and subsequent amendments can be viewed online at [http://www.faa.gov/air\\_traffic/publications/](http://www.faa.gov/air_traffic/publications/). For further information, you can contact the Airspace Policy Group, Federal Aviation Administration, 800 Independence Avenue SW, Washington, DC 20591; telephone: (202) 267-8783. The Order is also available for inspection at the National Archives and Records Administration (NARA). For information on the availability of FAA Order 7400.11B at NARA, call (202) 741-6030, or go to <https://www.archives.gov/federal-register/cfr/ibr-locations.html>.

FAA Order 7400.11, Airspace Designations and Reporting Points, is

published yearly and effective on September 15.

**FOR FURTHER INFORMATION CONTACT:**

Steve Haga, Federal Aviation Administration, Operations Support Group, Western Service Center, 2200 S 216th St., Des Moines, WA 98198-6547; telephone (206) 231-2252.

**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 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 amend Class D and Class E airspace at Wheeler Army Airfield (AAF), Honolulu, HI, to support standard instrument approach procedures for IFR operations at the airport.

**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 and be submitted in triplicate to the address listed above. Persons wishing the FAA to acknowledge receipt of their comments on this notice must submit with those comments a self-addressed, stamped postcard on which the following statement is made: "Comments to FAA-2014-0878; Airspace Docket No. 14-AWP-10". The postcard will be date/time stamped and returned to the commenter.

All communications received before the specified closing date for comments will be considered before taking action on the proposed rule. The proposal contained in this notice may be changed in light of the comments received. 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 <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/](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 the **ADDRESSES** section for the 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 Northwest Mountain Regional Office of the Federal Aviation Administration, Air Traffic Organization, Western Service Center, Operations Support Group, 2200 S 216th St., Des Moines, WA 98198–6547.

#### Availability and Summary of Documents for Incorporation by Reference

This document proposes to amend FAA Order 7400.11B, Airspace Designations and Reporting Points, dated August 3, 2017, and effective September 15, 2017. FAA Order 7400.11B is publicly available as listed in the **ADDRESSES** section of this document. FAA Order 7400.11B lists Class A, B, C, D, and E airspace areas, air traffic service routes, and reporting points.

#### The Proposal

The FAA is proposing an amendment to Title 14 Code of Federal Regulations (14 CFR) part 71 by modifying Class D airspace, Class E airspace extending upward from 700 feet above the surface, and establishing Class E surface area airspace at Wheeler AAF, Honolulu, HI.

Class D airspace extending upward from the surface to and including 3,300 feet MSL would be modified to within a 2.6-mile radius of Wheeler AAF, (formerly Wheeler AFB), then extend to a 3.7-mile radius from the southeast to the southwest, adjoining the boundary of Restricted Area R–3109 to the west, excluding that airspace below 1,800 feet MSL beyond 3.3 miles from the airport from the 89° bearing clockwise to the 218° bearing from the airport.

Additionally, an editorial change would be made to the Class D airspace legal description removing the words “Airport/Facility Directory”. An editorial change also would be made

removing the city associated with the airport name in the airspace designation to comply with a recent change to FAA Order 7400.2L, Procedures for Handling Airspace Matters.

Class E surface area airspace would be established to be coincident with the lateral dimensions of the Class D airspace, and would be effective continuously to provide protection to instrument procedures.

Class E airspace extending upward from 700 feet would be modified to that airspace within a 4.2-mile radius of Wheeler AAF. The Koko Head VORTAC navigation aid would be removed, as it is no longer needed to describe the boundary.

Additionally, this action proposes to update the airport name from Wheeler AFB to Wheeler AAF, and the geographic coordinates for the associated Class D and Class E airspace areas to match the FAA's aeronautical database.

Class D and Class E airspace designations are published in paragraph 5000, 6002, and 6005, respectively, of FAA Order 7400.11B, dated August 3, 2017, and effective September 15, 2017, which is incorporated by reference in 14 CFR 71.1. The Class D and E airspace designations listed in this document will be published subsequently in the Order.

#### Regulatory Notices and Analyses

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current, is non-controversial and unlikely to result in adverse or negative comments. It, therefore: (1) Is not a “significant regulatory action” under Executive Order 12866; (2) is not a “significant rule” under 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 rule, when promulgated, would 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 71

Airspace, Incorporation by reference, Navigation (air).

#### The Proposed Amendment

Accordingly, pursuant to the authority delegated to me, the Federal Aviation Administration proposes to amend 14 CFR part 71 as follows:

#### PART 71—DESIGNATION OF CLASS A, B, C, D, AND E AIRSPACE AREAS; AIR TRAFFIC SERVICE ROUTES; AND REPORTING POINTS

■ 1. The authority citation for 14 CFR part 71 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.

#### § 71.1 [Amended]

■ 2. The incorporation by reference in 14 CFR 71.1 of FAA Order 7400.11B, Airspace Designations and Reporting Points, dated August 3, 2017, and effective September 15, 2017, is amended as follows:

*Paragraph 5000 Class D Airspace.*

\* \* \* \* \*

#### AWP HI D Honolulu, HI [Amended]

Wheeler AAF, HI

(Lat. 21°28'53" N, long. 158°02'16" W)

That airspace extending upward from the surface to and including 3,300 feet MSL bounded by a line from lat. 21°31'03" N, long. 158°04'30" W; to lat. 21°31'25" N, long. 158°03'00" W, thence clockwise along a 2.6-mile radius of Wheeler AAF to lat. 21°30'33" N, long. 158°00'07" W; to lat. 21°28'41" N, long. 157°58'19" W, thence clockwise along a 3.7-mile radius of the airport to lat. 21°25'46" N, long. 158°04'24" W; to lat. 21°26'52" N, long. 158°04'31" W; to lat. 21°27'17" N, long. 158°05'45" W; to lat. 21°29'14" N, long. 158°04'50" W; to lat. 21°30'18" N, long. 158°03'59" W; thence to the point of beginning, excluding that airspace below 1,800 feet MSL beyond 3.3 miles from the airport from the 89° bearing clockwise to the 218° bearing from the airport. This Class D airspace area is effective during the specific dates and times established in advance by a Notice to Airmen. The effective date and time will thereafter be continuously published in the Pacific Chart Supplement.

*Paragraph 6002 Class E Airspace Designated as Surface Areas.*

\* \* \* \* \*

#### AWP HI E2 Honolulu, HI [New]

Wheeler AAF, HI

(Lat. 21°28'53" N, long. 158°02'16" W)

That airspace extending upward from the surface bounded by a line from lat. 21°31'03" N, long. 158°04'30" W; to lat. 21°31'25" N, long. 158°03'00" W, thence clockwise along a 2.6-mile radius of Wheeler AAF to lat. 21°30'33" N, long. 158°00'07" W; to lat.

21°28'41" N, long. 157°58'19" W, thence clockwise along a 3.7-mile radius of the airport to lat. 21°25'46" N, long. 158°04'24" W; to lat. 21°26'52" N, long. 158°04'31" W; to lat. 21°27'17" N, long. 158°05'45" W; to lat. 21°29'14" N, long. 158°04'50" W; to lat. 21°30'18" N, long. 158°03'59" W; thence to the point of beginning; excluding that airspace below 1,800 feet MSL beyond 3.3 miles from the airport from the 89° bearing clockwise to the 218° bearing from the airport.

*Paragraph 6005 Class E Airspace Areas Extending Upward From 700 Feet or More Above the Surface of the Earth.*

\* \* \* \* \*

#### AWP HI E5 Honolulu, HI [Amended]

Wheeler AAF, HI

(Lat. 21°28'53" N, long. 158°02'16" W)

That airspace extending upward from 700 feet above the surface within a 4.2-mile radius of Wheeler AAF, excluding that portion within Restricted Area R-3109, when active.

Issued in Seattle, Washington, on July 17, 2018.

**Shawn M. Kozica,**

*Group Manager, Operations Support Group, Western Service Center.*

[FR Doc. 2018-15738 Filed 7-23-18; 8:45 am]

**BILLING CODE 4910-13-P**

## SECURITIES AND EXCHANGE COMMISSION

### 17 CFR Part 230

[Release No. 33-10521; File No. S7-18-18]

RIN 3235-AM38

### Concept Release on Compensatory Securities Offerings and Sales

**AGENCY:** Securities and Exchange Commission

**ACTION:** Concept release; request for comment.

**SUMMARY:** The Securities and Exchange Commission ("Commission") is publishing this release to solicit comment on the exemption from registration under the Securities Act of 1933 (the "Securities Act") for securities issued by non-reporting companies pursuant to compensatory arrangements, and Form S-8, the registration statement for compensatory offerings by reporting companies. Significant evolution has taken place both in the types of compensatory offerings issuers make and the composition of the workforce since the Commission last substantively amended these regulations. Therefore, as we amend the exemption as mandated by the Economic Growth, Regulatory Relief, and Consumer Protection Act

(the "Act"), we seek comment on possible ways to modernize the exemption and the relationship between it and Form S-8, consistent with investor protection.

**DATES:** Comments should be received on or before September 24, 2018.

**ADDRESSES:** Comments may be submitted by any of the following methods:

#### Electronic Comments

- Use the Commission's internet comment form (<http://www.sec.gov/rules/concept.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number S7-18-18 on the subject line.

#### Paper Comments

- Send paper comments to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to File Number S7-18-18. This file number should be included on the subject line if email is used. To help us process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's website (<http://www.sec.gov/rules/concept.shtml>). Comments are also available for website viewing and copying 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. 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.

#### FOR FURTHER INFORMATION CONTACT:

Anne M. Krauskopf, Senior Special Counsel, and Adam F. Turk, Special Counsel, Office of Chief Counsel, Division of Corporation Finance, at (202) 551-3500.

#### SUPPLEMENTARY INFORMATION:

#### Table of Contents

- I. Overview
- II. Rule 701
  - A. Background
  - B. Rule 701(c) Eligible Plan Participants
  - C. Rule 701(e) Disclosure Requirements
    1. General
    2. Timing and Manner of Rule 701(e) Disclosure
    3. Options and Other Derivative Securities/RSUs
  - D. Rule 701(d) Exemptive Conditions
- III. Form S-8
  - A. Background

- B. Form S-8 Eligible Plan Participants
- C. Administrative Burdens
- D. Form S-8 Generally
- IV. Conclusion

## I. Overview

Under the Securities Act, every offer and sale of securities must be registered or subject to an exemption from registration. The Commission has long recognized that offers and sales of securities as compensation present different issues than offers and sales that raise capital for the issuer of the securities.<sup>1</sup> Among other considerations, the Commission has recognized that the relationship between the issuer and recipient of securities is often different in a compensatory rather than capital raising transaction. The Commission has thus provided a limited exemption from registration—17 CFR 230.701 (Rule 701)—for certain compensatory securities transactions as well as a specialized form—Form S-8—for registering certain compensatory transactions. Both Rule 701 and Form S-8 require the issuer to make specific disclosures. However, depending on the circumstances, compensatory transactions also may be conducted under the Securities Act Section 4(a)(2) exemption from registration or under a "no sale" theory,<sup>2</sup> which would not require specific disclosures.

Equity compensation can be an important component of the employment relationship. Using equity for compensation can align the incentives of employees with the success of the enterprise, facilitate

<sup>1</sup> See, e.g., Release No. 33-3469-X (Apr. 10, 1953) [18 FR 2182 (Apr. 17, 1953)] and *Registration of Securities Offered Pursuant to Employees Stock Purchase Plans*, Release No. 33-3480 (Jun. 16, 1953) [18 FR 3688 (Jun. 27, 1953)], each observing that the investment decision to be made by the employee is of a different character than when securities are offered for the purpose of raising capital.

<sup>2</sup> See *Changes to Exchange Act Registration Requirements to Implement Title V and Title VI of the JOBS Act*, Release No. 33-10075 (May 3, 2016) [81 FR 28689 (May 10, 2016)] at n. 82, stating "The 'no sale' theory relates to the issuance of compensatory grants made by employers to broad groups of employees pursuant to broad-based stock bonus plans without Securities Act registration under the theory that the awards are not an offer or sale of securities under Section 2(a)(3) of the Securities Act [15 U.S.C. 77b(a)(3)]." Where securities are awarded to employees at no direct cost through broad based bonus plans, the staff has taken the position generally that there has been no sale since employees do not individually bargain to contribute cash or other tangible or definable consideration to such plans. Where securities are awarded to or acquired by employees pursuant to individual employment arrangements, however the staff has expressed the view that such arrangements involve separately bargained consideration, and a sale of the securities has occurred. See *Employee Benefit Plans: Interpretations of Statute*, Release No. 33-6188 (Jan. 15, 1981) [29 FR 8960 (Feb. 11, 1980)] at Section II.A.5.d and n. 84.