SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–84518; File No. SR–FINRA–2018–037]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Adopt Rule 9910 Post-Employment Conflict of Interest Restrictions; Nonpublic Information

November 1, 2018.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on October 24, 2018, Financial Industry Regulatory Authority, Inc. (''FINRA'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by FINRA. FINRA has designated the proposed rule change as concerned solely with the administration of the self-regulatory organization under Section 19(b)(3)(A)(iii) of the Act[3] and Rule 19b–4(f)(3) thereunder,[4] which renders the proposal effective upon receipt of this filing by the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

FINRA is proposing to adopt Rule 9910 (Post-Employment Conflict of Interest Restrictions; Nonpublic Information) that would prohibit: (1) Any former officer from making certain communications to or appearances before FINRA for one year; (2) any former employee from making certain communications to or appearances before FINRA at any time in a particular matter involving a specific party or parties in which the employee was personally and substantially involved during his or her employment; (3) any former employee from making certain communications to or appearances before FINRA for two years in a particular matter involving a specific party or parties, that was under the employee's official responsibility during the last year of his or her employment; and (4) any current employee from disseminating or disclosing, for a purpose unnecessary to the performance of FINRA job responsibilities, or any former employee from disseminating or disclosing, for any purpose, any nonpublic information obtained in the course of his or her employment with FINRA, unless the disclosure is expressly authorized by FINRA or is required or protected by law.

The text of the proposed rule change is available on FINRA's website at *http://www.finra.org,* at the principal office of FINRA 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, FINRA 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. FINRA 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

FINRA rules prohibit former officers from appearing or providing expert testimony on behalf of any other person in a FINRA proceeding for one year following separation from FINRA.[5] FINRA proposes to adopt restrictions for FINRA officers and employees similar to those that apply to former employees of the SEC. FINRA also proposes to adopt restrictions intended to prohibit current and former FINRA employees from misusing nonpublic FINRA information. In particular, proposed Rule 9910 (Post-Employment Conflict of Interest Restrictions; Nonpublic Information) would prohibit:[6]

- any former officer from making certain communications to or appearances before FINRA for one year from the end of employment;
- any former employee from making certain communications to or appearances before FINRA at any time in a particular matter involving a specific party or parties in which the employee was personally and substantially involved during his or her employment;
- any former employee from making certain communications to or appearances before FINRA for two years in a particular matter involving a specific party or parties, that was under the employee's official responsibility during the last year of his or her employment; and
- any current employee from disseminating or disclosing, for a purpose unnecessary to the performance of FINRA job responsibilities, or a former employee from disseminating or disclosing, for any purpose, any nonpublic information obtained in the course of his or her employment with FINRA, unless the disclosure is expressly authorized by FINRA or is required or protected by law.

1. Expansion of the Prohibition for Former Officers

FINRA prohibits former officers from appearing or providing expert testimony in a FINRA proceeding for one year following separation from FINRA. FINRA proposes to expand this prohibition as follows:[7]

No former officer of FINRA shall knowingly, with the intent to influence, make any communication[8] to or appearance[9] before a FINRA Governor or employee[10] within one year from the former officer's termination of employment with FINRA, on behalf of any other person in connection with any matter on which the former officer seeks official FINRA action by any Governor or employee of FINRA. A duly authorized FINRA officer may grant reasonable exceptions and waivers from this prohibition consistent with the purposes of the prohibition.

This restriction is modeled on Rule 204(a) of the Post-Employment Conflict of Interest Restrictions under the Ethics in Government Act, which applies, among others, to senior personnel of the

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(3)(A)(iii).

[4] 17 CFR 240.19b–4(f)(3).

[5] *See* FINRA Rules 9141(c) and 9242(b).

[6] The proposed rule change also would adopt a new rule series title, specifically Rule Series 9900, Restrictions on Former FINRA Officers and Employees; Nonpublic Information. *See* Exhibit 5.

[7] *See* proposed FINRA Rule 9910(a).

[8] For purposes of Rule 9910, ''communication'' would mean the imparting or transmitting of information of any kind, including facts, opinions, ideas, questions or direction, to a FINRA Governor or employee, whether orally, in written correspondence, by electronic media, or by any other means. *See* proposed Rule 9910.02; *see also* 5 CFR 2641.201(d)(1) (definition of ''communication'' in Rule 201 of the Post-Employment Conflict of Interest Restrictions under the Ethics in Government Act).

[9] For purposes of Rule 9910, ''appearance'' would mean physical presence before a FINRA Governor or employee, in either a formal or an informal setting. Although an appearance also may be accompanied by a communication, an appearance need not involve any communication. *See* proposed Rule 9910.01; *see also* 5 CFR 2641.201(d)(2) (definition of ''appearance'' in Rule 201 of the Post-Employment Conflict of Interest Restrictions under the Ethics in Government Act).

[10] For purposes of this proposed rule, ''employee'' would include both officer and non-officer employees. *See* proposed Rule 9910.03.

SEC.[11] This restriction would apply even if the former officer never worked on or supervised the matter while employed by FINRA. This provision does not prohibit ''behind-the-scenes assistance'' (*i.e.,* assistance that does not involve a communication to or appearance before FINRA), subject to FINRA Rule 9910(d) and, with respect to attorneys, any applicable state bar ethics rules.

2. Adoption of a New Rule Provision Prohibiting Subject Matter Conflicts

The interaction of a former employee with FINRA Governors or employees in a matter in which the former employee participated while at FINRA presents a potential conflict of interest and may undermine the public's trust and confidence in FINRA. Accordingly, FINRA proposes to adopt the following rule provision: [12]

No former employee of FINRA shall knowingly, with the intent to influence, make any communication to or appearance before a FINRA Governor or employee on behalf of any other person in connection with a particular matter involving a specific party or parties, in which the former employee participated personally and substantially as an employee, and in which FINRA is a party or has a direct and substantial interest. A duly authorized FINRA officer may grant reasonable exceptions and waivers from this prohibition consistent with the purposes of the prohibition.

This provision is modeled on Rule 201(a) of the Post-Employment Conflict of Interest Restrictions under the Ethics in Government Act.[13] The provision would permit ''behind-the-scenes assistance,'' subject to FINRA Rule 9910(d) and, with respect to attorneys, any applicable state bar ethics rules.

3. Two-Year Ban on ''Switching Sides'' on Matters Within Former Employee's Official Responsibility

The participation of a former employee in a matter that recently fell within the employee's official responsibility at FINRA presents at least an apparent conflict of interest and could undermine the public's trust and confidence in FINRA. Accordingly, FINRA proposes to adopt the following rule provision: [14]

For two years after his or her employment with FINRA terminates, no former employee shall knowingly, with the intent to influence, make any communication to or appearance before a FINRA Governor or employee on behalf of any other person in connection with a particular matter involving a specific party or parties, in which FINRA is a party or has a direct and substantial interest, and which the former employee knows or reasonably should know was actually pending under the former employee's official responsibility, within the one-year period prior to the termination of his or her employment with FINRA. A duly authorized FINRA officer may grant reasonable exceptions and waivers from this prohibition consistent with the purposes of the prohibition.

This restriction would be modeled on Rule 202(a) of the Post-Employment Conflict of Interest Restrictions under the Ethics in Government Act.[15] A matter could fall under the employee's official responsibility if, for example, the employee had administrative or operating authority, either alone or through others, and either personally or through subordinates, to approve or disapprove an action in the matter.[16] The provision would permit ''behind the scenes assistance,'' subject to FINRA Rule 9910(d) and, with respect to attorneys, any applicable state bar ethics rules.

4. Protection of Nonpublic Information

FINRA's Code of Conduct prohibits the use or disclosure of nonpublic information to anyone (including other FINRA employees) for any purpose unnecessary to the performance of an employee's duties, unless required by law or instructed to do so by an appropriate FINRA officer. All FINRA employees are also bound by confidentiality obligations through agreements entered in connection with their employment. FINRA seeks to further ensure that current employees do not use or disseminate nonpublic FINRA information for a purpose unnecessary to the performance of FINRA job responsibilities, and that former employees do not use or disseminate nonpublic FINRA information for any purpose, without authorization or unless the disclosure is required or protected by law, by proposing the following rule provision: [17]

No current employee of FINRA may disseminate or disclose, for a purpose unnecessary to the performance of FINRA job responsibilities, and no former employee of FINRA may disseminate or disclose, for any purpose, any nonpublic information obtained in the course of his or her FINRA employment, unless expressly authorized by FINRA. Nothing in this paragraph shall be deemed to limit current or former employees of FINRA from making any disclosures required or protected by law.

This restriction would place a duty on current FINRA employees not to disseminate or disclose, for a purpose unnecessary to the performance of FINRA job responsibilities, and on former FINRA employees not to disseminate or disclose, for any purpose, nonpublic information obtained in the course of their FINRA employment, unless expressly authorized by FINRA. The restriction would not limit current and former employees from disclosing nonpublic information obtained in the course of their employment with FINRA if the disclosure is required or protected by law.

For example, this restriction would not limit a current or former employee from participating in an investigation conducted by a regulatory entity or government agency. Nor would this provision limit current or former employees from making any disclosures protected by whistleblower statutes.

[11] Rule 204(a) provides, ''For one year after his service in a senior position terminates, no former senior employee may knowingly, with the intent to influence, make any communication to or appearance before an employee of an agency in which he served in any capacity within the one-year period prior to his termination from a senior position, if that communication or appearance is made on behalf of any other person in connection with any matter on which the former senior employee seeks official action by any employee of such agency.'' 5 CFR 2641.204(a).

[12] *See* proposed Rule 9910(b).

[13] Rule 201(a) provides, ''No former employee shall knowingly, with the intent to influence, make any communication to or appearance before an employee of the United States on behalf of any other person in connection with a particular matter involving a specific party or parties, in which he participated personally and substantially as an employee, and in which the United States is a party or has a direct and substantial interest.'' 5 CFR 2641.201(a).

[14] *See* proposed Rule 9910(c).

[15] Rule 202(a) provides, ''For two years after his Government service terminates, no former employee shall knowingly, with the intent to influence, make any communication to or appearance before an employee of the United States on behalf of any other person in connection with a particular matter involving a specific party or parties, in which the United States is a party or has a direct and substantial interest, and which such person knows or reasonably should know was actually pending under his official responsibility within the one-year period prior to the termination of his Government service.'' 5 CFR 2641.202(a).

[16] Rule 202 provides extensive interpretations regarding the meaning of ''official responsibility.'' Rule 202(j) provides, in part, '''Official responsibility' means the direct administrative or operating authority, whether intermediate or final, and either exercisable alone or with others, and either personally or through subordinates, to approve, disapprove, or otherwise direct Government action. Ordinarily, the scope of an employee's official responsibility is determined by those functions assigned by statute, regulation, Executive order, job description, or delegation of authority.'' 5 CFR 2641.202(j).

[17] *See* proposed Rule 9910(d).

5. Exceptions, Waivers and Operative Dates

Paragraphs (a), (b) and (c) of proposed Rule 9910 allow a duly authorized FINRA officer to grant reasonable exceptions and waivers from the prohibitions consistent with their purposes. A senior executive level officer in its Office of General Counsel whose responsibilities include interpreting and enforcing FINRA's Code of Conduct, including the Chief Legal Officer, will serve as the duly authorized officer for these purposes. Exceptions and waivers under paragraphs (a), (b), and (c) and authorizations under paragraph (d) typically will be granted in the rare instance that the prohibition conflicts with other law.

FINRA has filed the proposed rule change for immediate effectiveness. The operative date of paragraphs (b), (c) and (d) of proposed FINRA Rule 9910 will be December 3, 2018. The operative date of paragraph (a) of proposed FINRA Rule 9910 will be April 1, 2019.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,[18] which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest, and Section 15A(b)(9),[19] which requires that FINRA rules not impose any burden on competition that is not necessary or appropriate. FINRA believes that the proposed rule changes will provide greater assurance to the industry and investors that FINRA officers and employees will avoid actual or potential conflicts of interest when their employment with FINRA terminates, and that current and former employees will maintain the confidentiality of nonpublic FINRA information. Paragraphs (a) through (c) of the proposed rule also will better align FINRA's conflict of interest rules with those of the SEC. As with the SEC conflicts rules, FINRA believes that the proposed rules will help instill greater confidence in FINRA.

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 would impose new restrictions on employees that are terminating their employment with FINRA by prohibiting them from making certain communications to or appearances before FINRA over the specified period after their employment with FINRA ends.

The primary benefit of this proposal would be to mitigate the conflicts of interest that may arise if a former FINRA employee used influence resulting from his or her employment at FINRA on behalf of another party. The proposal also would reduce incentives for private employers to hire FINRA employees potentially to influence matters in which the former FINRA employee had direct or indirect responsibilities. In addition, the proposal would help ensure that current and former FINRA employees do not misuse nonpublic FINRA information.

The primary cost of this proposal would be to reduce the value of a FINRA employee to a new employer, especially if the new employer valued the employee's experience in a particular area that could lead to a conflict of interest. However, this proposal does not affect the employee's ability to provide ''behind the scenes assistance'' that does not involve the use or dissemination of nonpublic information obtained in the course of his or her employment with FINRA, mitigating the cost to the FINRA employee and the future employer. Further, FINRA believes that the benefits to investors and the public associated with this proposal justify these costs.

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.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act[20] and paragraph (f)(3) of Rule 19b–4 thereunder.[21] 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*. Please include File Number SR–FINRA–2018–037 on the subject line.

Paper Comments

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

All submissions should refer to File Number SR–FINRA–2018–037. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*http://www.sec.gov/rules/sro.shtml*). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of 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–2018–037 and should be submitted on or before November 28, 2018.

[18] 15 U.S.C. 78*o*–3(b)(6).

[19] 15 U.S.C. 78*o*–3(b)(9).

[20] 15 U.S.C. 78s(b)(3)(A).

[21] 17 CFR 240.19b–4(f)(3).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[22]

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2018–24306 Filed 11–6–18; 8:45 am]

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SUSQUEHANNA RIVER BASIN COMMISSION

Commission Meeting; Correction

AGENCY: Susquehanna River Basin Commission.

ACTION: Notice; correction.

SUMMARY: The Susquehanna River Basin Commission will hold its regular business meeting on December 6, 2018, in Harrisburg, Pennsylvania. Details concerning the matters to be addressed at the business meeting are contained in the Supplementary Information section of this notice. Also the Commission published a document in the **Federal Register** of October 3, 2018 (83 FR 49969), concerning its public hearing on November 1, 2018, in Harrisburg, Pennsylvania. The document was revised to update the projects scheduled for action items #11 and #12, also contained below in the **SUPPLEMENTARY INFORMATION** section of this notice.

DATES: The meeting will be held on Thursday, December 6, 2018, at 9 a.m.

ADDRESSES: The meeting will be held at the Susquehanna River Basin Commission, Susquehanna Conference Room, 4423 N Front Street, Harrisburg, PA 17110.

FOR FURTHER INFORMATION CONTACT: Ava Stoops, Administrative Specialist, 717–238–0423, ext. 1302.

SUPPLEMENTARY INFORMATION: The business meeting will include actions or presentations on the following items: (1) Informational presentation of interest to the lower Susquehanna River region; (2) consideration of a resolution outlining the Auxiliary Powers of the Commission under Section 15.1 of the Compact; (3) resolution adopting FY2018 audit report; (4) ratification/approval of contracts/grants; (5) a report on delegated settlements; (6) settlement agreement from EQT Production Company for violation of passby flow conditions; (7) resolution concerning FY2020 federal funding of the Groundwater and Streamflow Information Program; (8) a proposed consumptive use mitigation project located in Conoy Township, Lancaster County, Pa. and associated water supply agreement with the Lancaster County Solid Waste Management Authority; (9) potential request for waiver of 18 CFR 806.31(e) as it pertains to submittal of renewal application for a groundwater withdrawal approval; and (10) Regulatory Program projects. The revised projects scheduled for action are as follows:

11. Project Sponsor and Facility: East Cocalico Township Authority, East Cocalico Township, Lancaster County, Pa. Application for renewal of groundwater withdrawal of up to 0.045 mgd (30-day average) from Well 10 (Docket No. 19890101).

12. Project Sponsor and Facility: East Cocalico Township Authority, East Cocalico Township, Lancaster County, Pa. Application for renewal of groundwater withdrawal of up to 0.059 mgd (30-day average) from Well 9 (Docket No. 19890101).

Regulatory Program projects and the consumptive use mitigation project listed for Commission action were those that were the subject of public hearings conducted by the Commission on November 1, 2018, and August 2, 2018, respectively, and identified in the notices for such hearings, which were published in 83 FR 49969, October 3, 2018, and 83 FR 31439, July 5, 2018, respectively.

The public is invited to attend the Commission's business meeting. Comments on the Regulatory Program projects and the consumptive use mitigation project were subject to deadline of November 13, 2018, and August 13, 2018, respectively. Written comments pertaining to other items on the agenda at the business meeting may be mailed to the Susquehanna River Basin Commission, 4423 North Front Street, Harrisburg, Pennsylvania 17110–1788, or submitted electronically through *www.srbc.net/about/meetings-events/business-meeting.html.* Such comments are due to the Commission on or before November 30, 2018. Comments will not be accepted at the business meeting noticed herein.

Authority: Pub. L. 91–575, 84 Stat. 1509 *et seq.,* 18 CFR parts 806, 807, and 808.

Dated: November 1, 2018.

Stephanie L. Richardson,

Secretary to the Commission.

[FR Doc. 2018–24373 Filed 11–6–18; 8:45 am]

BILLING CODE 7040–01–P

DEPARTMENT OF TRANSPORTATION

Pipeline and Hazardous Materials Safety Administration

Hazardous Materials: Notice of Applications for Special Permits

AGENCY: Pipeline and Hazardous Materials Safety Administration (PHMSA), DOT.

ACTION: List of applications for special permits.

SUMMARY: In accordance with the procedures governing the application for, and the processing of, special permits from the Department of Transportation's Hazardous Material Regulations, notice is hereby given that the Office of Hazardous Materials Safety has received the application described herein. Each mode of transportation for which a particular special permit is requested is indicated by a number in the ''Nature of Application'' portion of the table below as follows: 1—Motor vehicle, 2—Rail freight, 3—Cargo vessel, 4—Cargo aircraft only, 5—Passenger-carrying aircraft.

DATES: Comments must be received on or before December 7, 2018.

ADDRESSES: Record Center, Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation, Washington, DC 20590.

Comments should refer to the application number and be submitted in triplicate. If confirmation of receipt of comments is desired, include a self-addressed stamped postcard showing the special permit number.

FOR FURTHER INFORMATION CONTACT: Ryan Paquet, Director, Office of Hazardous Materials Approvals and Permits Division, Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation, East Building, PHH–30, 1200 New Jersey Avenue Southeast, Washington, DC 20590–0001, (202) 366–4535.

SUPPLEMENTARY INFORMATION: Copies of the applications are available for inspection in the Records Center, East

[22] 17 CFR 200.30–3(a)(12).