

3001.111(b). Notices of intervention in this case are to be filed on or before December 23, 2011. A notice of intervention shall be filed using the Internet (Filing Online) at the Commission's Web site, <http://www.prc.gov>, unless a waiver is obtained for hardcopy filing. See 39 CFR 3001.9(a) and 3001.10(a).

*Further procedures.* By statute, the Commission is required to issue its decision within 120 days from the date it receives the appeal. See 39 U.S.C. 404(d)(5). A procedural schedule has

been developed to accommodate this statutory deadline. In the interest of expedition, in light of the 120-day decision schedule, the Commission may request the Postal Service or other participants to submit information or memoranda of law on any appropriate issue. As required by Commission rules, if any motions are filed, responses are due 7 days after any such motion is filed. See 39 CFR 3001.21.

*It is ordered:*

1. The procedural schedule listed below is hereby adopted.

2. Pursuant to 39 U.S.C. 505, James Callow is designated officer of the Commission (Public Representative) to represent the interests of the general public.

3. The Secretary shall arrange for publication of this notice and order and Procedural Schedule in the **Federal Register**.

By the Commission.

**Shoshana M. Grove,**  
Secretary.

#### PROCEDURAL SCHEDULE

November 7, 2011 .....	Filing of Appeal.
November 22, 2011 .....	Deadline for the Postal Service to file the applicable administrative record in this appeal.
November 22, 2011 .....	Deadline for the Postal Service to file any responsive pleading.
December 23, 2011 .....	Deadline for notices to intervene (see 39 CFR 3001.111(b)).
December 12, 2011 .....	Deadline for Petitioners' Form 61 or initial brief in support of petition (see 39 CFR 3001.115(a) and (b)).
January 3, 2012 .....	Deadline for answering brief in support of the Postal Service (see 39 CFR 3001.115(c)).
January 18, 2012 .....	Deadline for reply briefs in response to answering briefs (see 39 CFR 3001.115(d)).
January 25, 2012 .....	Deadline for motions by any party requesting oral argument; the Commission will schedule oral argument only when it is a necessary addition to the written filings (see 39 CFR 3001.116).
February 23, 2012 .....	Expiration of the Commission's 120-day decisional schedule (see 39 U.S.C. 404(d)(5)).

[FR Doc. 2011-31035 Filed 12-1-11; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-65831; File No. SR-DTC-2011-08]

### Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing of Proposed Rule Change To Enhance Risk Management Controls Associated With the Receiver Authorized Delivery Function

November 28, 2011.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4<sup>2</sup> thereunder, notice is hereby given that on November 16, 2011, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared primarily by DTC. 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 proposed rule change would enhance the risk management controls

associated with DTC's Receiver Authorized Delivery ("RAD") function.

#### II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, DTC 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. DTC 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) The RAD function enables each Participant to control and review a Deliver Order ("DO")<sup>3</sup> or a Payment Order ("PO")<sup>4</sup> that is directed to its account by another Participant before its account is updated. The RAD function was built in 1990 to route money market instrument ("MMI") transactions for

receiver approval. In 1996, there was a conversion for all transactions to settle in same-day funds subject to the net debit cap control<sup>5</sup> and collateral controls.<sup>6</sup> Any DO that obligated a Participant to pay \$15 million or more and any PO that obligated a Participant to pay \$1 million or more became subject to RAD. In order to minimize blockage, DTC excluded from RAD any DO under \$15 million and any PO under \$1 million. Transactions in such lower amounts were directed to the account of the receiving Participant without the RAD filter. For such lower amounts, the receiving Participant has the ability on the same day as the original delivery to instruct a matched

<sup>5</sup> The net debit cap control is designed so that DTC may complete settlement even if a Participant fails to settle. Before completing a transaction in which a Participant is the receiver, DTC calculates the effect the transaction would have on such Participant's account and determines whether any resulting net debit balance would exceed the Participant's net debit cap. Any transaction that would cause the net debit balance to exceed the Participant's net debit cap is placed on a pending (recycling) queue until another transaction creates sufficient credit in such Participant's account so that the net debit cap will not be exceeded.

<sup>6</sup> An example of a collateral control is the Collateral Monitor ("CM"). DTC tracks collateral in a Participant's account through the Collateral Monitor. At all times, the CM reflects the amount by which the collateral value in the account exceeds the net debit balance in the account. When processing a transaction, DTC verifies that the CM of neither the deliverer nor the receiver will not become negative when the transaction completes. If the transaction would cause either party to have a negative CM, the transaction will recycle until the deficient account has sufficient collateral to proceed or until the applicable cutoff occurs.

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

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

<sup>3</sup> A Deliver Order is the term used to define an instruction initiating the book-entry transfer of a security from one DTC Participant, as delivering Participant, to another DTC Participant, as receiving Participant.

<sup>4</sup> A Payment Order is the term used to define an instruction initiating a transaction in which a Participant charges another Participant for changes in value for outstanding stock loans or option contract premiums. Payment orders involve no securities, only money.

reclaim<sup>7</sup> transaction not subject to the original delivering Participant's collateral monitor and net debit cap controls.

With this rule filing, DTC is proposing the following revisions to RAD:

(i) DTC will expand RAD to include Omgeo Institutional Delivery ("ID") transactions in excess of \$15 million at the receiving Participant's election. If no election is made, these transactions will be processed for receipt in the same manner as they currently are processed. (Currently, ID transactions are not routed to RAD and are not subject to matched reclaim.) The change will reduce the receiving Participant's risk relating to ID transactions.

(ii) Participants will be able to elect to have all free MMI deliveries bypass RAD on a counterparty by counterparty basis. Currently, all free money market instrument ("MMI") deliveries are routed to RAD for receiver approval.<sup>8</sup> The change will help facilitate customer account transfers.

(iii) DTC will be able, in its discretion, to apply RAD to all DOs and POs initiated by a "Wind-Down Participant"<sup>9</sup> regardless of value. A receiving Participant will have the option to raise its RAD limit in accordance with its own transaction management objectives (but not to reinstitute matched reclaims in lieu of RAD). DTC views this improvement as a means for Participants, bilaterally, and DTC, multilaterally, to manage liquidity and credit risk in a Wind-Down scenario and to eliminate the risk of matched reclaims to a Wind-Down Participant.

(iv) DTC will exclude from RAD certain receives or deliveries (e.g., the OCC Market Loan program<sup>10</sup> account) because these are effectively matched and/or approved by other mechanisms. DTC also seeks to conform the language of its existing procedures pertaining to processing of reclaims to its practices:

(v) Receiving Participants may, only on the same day as the original delivery, instruct a matched reclaim transaction.

Any such matched reclaim of a DO with a settlement value of less than \$15 million and a PO with a value less than \$1 million may be processed without reference to the collateral monitor and net debit cap controls for the original delivering Participant.<sup>11</sup>

DTC has discussed these changes with selected Participants and with its Settlement Advisory Board which agreed that these enhancements should reduce risk.

These changes will be reflected in revisions to the existing DTC Settlement Services Guide, set forth in the attached Exhibit 5.<sup>12</sup>

(2) The proposed rule change is consistent with the requirements of the Act, and the rules and regulations thereunder applicable to DTC as well as the CPSS/IOSCO Recommendations for Securities Settlement Systems applicable to DTC. The proposed change is designed to facilitate the prompt and accurate settlement of securities transactions by promoting efficiencies and reducing risk in the system.

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

DTC does not believe that the proposed rule change will have any impact or impose any burden on competition.

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

Written comments relating to the proposed rule change have not yet been solicited or received. DTC will notify the Commission of any written comments received by DTC.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission shall: (a) By order approve or disapprove such proposed rule change or (b) institute proceedings to determine whether the proposed rule change should be disapproved.

<sup>11</sup> For more information regarding this change, see Securities Exchange Release Act No. 34-48121 (July 2, 2003) 68 FR 41030 (July 2, 2003) [SR-DTC-2003-06].

<sup>12</sup> The text of the proposed rule change is available on DTC's Web site at [http://www.dtcc.com/legal/rule\\_filings/dtc/2011.php](http://www.dtcc.com/legal/rule_filings/dtc/2011.php).

#### **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-DTC-2011-08 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-DTC-2011-08. 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 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at DTC's principal office and on DTC's Web site at <http://www.dtc.org>. 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-DTC-2011-08 and should be submitted on or before December 23, 2011.

<sup>7</sup> A "reclaim" is a separate DO or PO that a receiving Participant may use to return a DO or PO (typically received in error).

<sup>8</sup> A receiver that authorizes a free MMI transaction is deemed to have made an agreement with the deliverer that it will make payment outside of DTC in accordance with the agreement of the parties outside DTC. DTC does not monitor or enforce compliance with such agreements. Participants must enforce these agreements themselves.

<sup>9</sup> DTC Rule 32 defines a "Wind-Down Participant" and provides for actions that may be taken with respect to such a Participant.

<sup>10</sup> For more information about the OCC's Market Loan Program, see Securities Exchange Release Act No. 34-59298 (January 26, 2009) 74 FR 5692 (January 30, 2009) [SR-DTC-2008-15].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>13</sup>

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

[FR Doc. 2011-30980 Filed 12-1-11; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-65832; File No. SR-Phlx-2011-159]

### Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Delay Implementation of a Recently Effective Modification to the Operation of the Minimum Quantity Order on the NASDAQ OMX PSX

November 28, 2011.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on November 23, 2011, NASDAQ OMX PHLX LLC ("Phlx") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by Phlx. 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

Phlx is filing this proposed rule change to delay implementation of a recently effective modification to the operation of the Minimum Quantity Order on the NASDAQ OMX PSX ("PSX") system. Phlx proposes to implement the rule change prior to December 31, 2011. The text of the proposed rule change is available at <http://nasdaqomxphlx.cchwallstreet.com/nasdaqomxphlx/phlx>, at Phlx's principal office, and at the Commission's Public Reference Room.

#### II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the

proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

#### A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

##### 1. Purpose

Phlx recently submitted a filing to modify the functionality of its Minimum Quantity Order.<sup>3</sup> In the filing, Phlx stated that it expected to implement the modification on or before November 30, 2011. Due to delays in programming the change for use on PSX, Phlx is delaying implementation of the change until December, likely on December 19, 2011. If Phlx does not implement the proposed rule change by December 31, 2011, Phlx will submit a further proposed rule change to reflect such delay.<sup>4</sup>

##### 2. Statutory Basis

Phlx believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>5</sup> in general, and with Section 6(b)(5) of the Act,<sup>6</sup> in particular, in that the proposal 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 regulating, clearing, settling, processing information with respect to, and 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. Specifically, Phlx believes that the change to the functioning of the Minimum Quantity Order will provide market participants with better control over their trading patterns, thereby providing them with greater potential to improve the quality of their order executions. Phlx further believes that the delayed implementation date of the change will

have no material impact on market participants.

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

Phlx 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, as amended.

#### 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<sup>7</sup> and paragraph (f)(1) of Rule 19b-4 thereunder.<sup>8</sup>

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule change should be approved or disapproved.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

##### Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-Phlx-2011-159 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-Phlx-2011-159. This file

<sup>13</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>3</sup> Securities Exchange Act Release No. 65537 (October 12, 2011), 76 FR 64401 (October 18, 2011) (SR-Phlx-2011-132).

<sup>4</sup> Similar change to the Minimum Quantity Order type offered by The NASDAQ Stock Market LLC and NASDAQ OMX BX, Inc. were implemented on November 14, 2011. See Securities Exchange Act Release No. 65536 (October 12, 2011), 76 FR 64411 (October 18, 2011) (SR-NASDAQ-2011-140); Securities Exchange Act Release No. 65535 (October 12, 2011), 76 FR 64416 (October 18, 2011) (SR-BX-2011-069).

<sup>5</sup> 15 U.S.C. 78f.

<sup>6</sup> 15 U.S.C. 78f(b)(5).

<sup>7</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>8</sup> 17 CFR 240.19b-4(f)(1).