

Decision on the Proposed Amendment

The statute and the implementing regulation state that PBGC must make two factual determinations before it approves a request for an amendment that adopts a special withdrawal liability rule. ERISA § 4203(f); 29 CFR 4203.4(a). First, on the basis of a showing by the plan, PBGC must determine that the amendment will apply to an industry that has characteristics that would make use of the special rules appropriate. Second, PBGC must determine that the plan amendment will not pose a significant risk to the insurance system. PBGC's discussion on each of those issues follows. After review of the record submitted by the I.A.M. Fund, and having received no public comments, PBGC has entered the following determinations.

1. What Is the Nature of the Industry?

In determining whether an industry has the characteristics that would make an amendment to special rules appropriate, an important line of inquiry is the extent to which the I.A.M. Fund's contribution base resembles that found in the construction industry. This threshold question requires consideration of the effect of SCA employer withdrawals on the I.A.M. Fund's contribution base. As with construction-industry employers, when SCA employers contributing to the I.A.M. Fund lose their contracts, the applicable federal or District of Columbia government agency contracts with a new employer to contribute at the same or substantially the same rate for the same number of contribution base units as the previous SCA employer. This is because the SCA provides that employees must not be paid less than the wages and fringe benefits set by the Department of Labor or as collectively bargained. Over the past ten years, cessation of contributions by any individual SCA employer has not had an adverse impact on the I.A.M. Fund's contribution base. Most SCA employers that have ceased to contribute have been replaced by another employer who begins contributing for the same work.

2. What Is the Exposure and Risk of Loss to PBGC and Participants?

Exposure. During the seven year period from 2004 to 2010, the I.A.M. Fund's active participant population increased by 69% while the number of retirees increased by 17%. In those same years, the number of contribution base units grew strongly and the dollar amount of contributions doubled.

Benefits paid exceeded contributions in every year, but grew only 47%—a significantly slower than the growth of contributions.

Risk of loss. The record shows that the I.A.M. Fund presented a low risk of loss to PBGC guaranty funds. The I.A.M. Fund did not have unfunded vested benefits for withdrawal liability purposes as of December 31, 2009, and did not have to assess withdrawal liability for withdrawals in 2010. The I.A.M. Fund and the covered industry have unique characteristics that suggest that the I.A.M. Fund's contribution base is likely to remain stable. Contributions to the I.A.M. Fund are made with respect to SCA employers whose employees work under a contract or subcontract with federal or District of Columbia government agencies covered under the SCA. Consequently, the I.A.M. Fund's contribution base is secure and the departure of one SCA employer from the I.A.M. Fund is not likely to have an adverse effect on the contribution base so long as the replacement SCA employer contributes to the I.A.M. Fund for substantially the same number of contribution case units at the same or higher contribution rate as the previous employer.

Conclusion

Based on the facts of this case and the representations and statements made in connection with the request for approval, PBGC has determined that the plan amendment modifying special withdrawal liability rules (1) will apply only to an industry that has characteristics that would make the use of special withdrawal liability rules appropriate, and (2) will not pose a significant risk to the insurance system. Therefore, PBGC hereby grants the I.A.M. Fund's request for approval of a plan amendment modifying special withdrawal liability rules applicable to SCA employers, as set forth herein. Should the I.A.M. Fund wish to amend these rules at any time, PBGC approval of the amendment will be required.

Issued at Washington, DC, on this 26 day of July, 2013.

Joshua Gotbaum,

Director, Pension Benefit Guaranty Corporation.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-70102; File No. SR-C2-2013-028]

Self-Regulatory Organizations; C2 Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Exchange Order Handling

August 2, 2013.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on July 25, 2013, C2 Options Exchange, Incorporated (the "Exchange" or "C2") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to modify its rules to address certain option order handling procedures on the Exchange in connection with the implementation of the market wide equity Plan to Address Extraordinary Market Volatility (the "Plan"). The text of the proposed rule change is available at the Exchange's Office of the Secretary, on the Exchange's Web site at <http://www.c2exchange.com/Legal/>, at the Commission's Public Reference Room, and on the Commission's Web site at <http://www.sec.gov>.

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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

1. Purpose

In an attempt to address extraordinary market volatility in NMS Stock, and, in particular, events like the severe volatility on May 6, 2010, the Exchange, in conjunction with the other national securities exchanges and the Financial Industry Regulatory Authority, Inc. (collectively, "Participants") drafted the Plan pursuant to Rule 608 of Regulation NMS and under the Securities Exchange Act of 1934 (the "Act").³ The Plan is primarily designed to, among other things, address extraordinary market volatility in NMS stocks, protect investors, and promote fair and orderly markets. The Plan provides for market-wide limit up-limit down requirements that prevent trades in individual NMS Stocks from occurring outside of specified price bands, as defined in Section I(N) of the Plan. These requirements are coupled with trading pauses, as defined in Section I(Y) of the Plan, to accommodate more fundamental price moves (as opposed to erroneous trades or monetary gaps of liquidity).

The Plan was filed on April 5, 2011 by the Participants for publication and comment.⁴ The Participants requested the Commission approve the Plan as a one-year pilot. On May 24, 2012, the Participants filed an amendment to the Plan which clarified, among other things, the calculation of the reference price, as defined in Section I(T) of the Plan, potential for order type exemption, and the creation of an Advisory Committee.⁵ On May 31, 2012, the Commission approved the Plan, as amended, on a one-year pilot basis.⁶ The Plan was implemented on April 8, 2013.

Though the Plan was primarily designed for equity markets, the Exchange believed it would impact the options markets as well. Thus, the Exchange filed rule changes to amend the Exchange rules to ensure the option markets are not compromised as a result of the Plan's implementation.⁷ The Exchange is proposing to amend these

rules to clarify how the openings will operate on the Exchange in the event of a limit up-limit down state.

The current rule 6.11, as recently amended, states that is an underlying security for an option class enters into a limit up-limit down state when the class moves to opening rotation, "all market orders in the system will be cancelled."⁸ The Exchange is proposing to: (1) Correct the reference to Exchange Rule 6.3A, (2) add an exception to this general rule, and (3) provide greater clarity on the effect of a limit up-limit down state on an underlying security after the Rotation Period has begun.

First, the Exchange is proposing to clarify an incorrect reference in Rule 6.11.03 to Rule 6.3A. The correct reference should be made to Rule 6.39 which was a recently added rule to address the Plan. The Exchange believes that by updating the reference, Permit Holders will have greater clarity of which rule is applicable.

Next the Exchange is proposing to make an exception to the general rule that all market orders will be cancelled during the Rotation Period if the underlying security is in a limit up-limit down state. The Exchange is proposing to add language stating that the type of order described in Exchange Rule 6.12(h), "No-Bid Series" orders, from a previous day will not be cancelled. The Exchange is proposing to allow such market orders to remain in the Exchange Book because these essentially act as limit orders at the minimum increment. Cancelling such orders could potentially cause such orders to lose their priority with respect to other market orders in the Exchange Book. The Exchange believes that though these orders are essentially treated as limit orders, because they may have a "market" distinction, alerting Permit Holders of the behavior of such orders when the underlying security enters a limit up-limit down state will provide more clarity. In addition, this behavior is consistent with how limit orders are treated in the same situation.

Finally, the Exchange is proposing to add further clarity to the recently amended rule to clarify that if a limit up-limit down state commences *after* the Rotation Period has begun for a class of options, the Rotation Period will continue normally. More specifically, the Exchange is proposing to add language to state that market and limit orders will continue through the Rotation Period as they would if there was not a limit up-limit down state. Once the Rotation Period has begun for a class of options, due to how the

Exchange System operates, the process will not be interrupted to modify the order handling mid-process.

Market orders will continue to process even though they are normally returned during a limit up-limit down state,⁹ limit orders will process normally,¹⁰ and the Exchange will open normally if there is a presence of Opening Conditions.¹¹ Market orders, though normally returned during a limit up-limit down state to avoid executions at unfavorable or unreliable prices, do not face the same risks when they are part of the opening process. This is because preopening orders are matched with each other and with other interest during the Rotation Period. Thus, market orders will trade at the calculated opening price. Preopening limit orders will also be filled at the opening price and cannot be filled through their limit prices.

The Exchange believes this clarity is necessary to ensure Permit Holders are fully aware of special order handling during limit up-limit down states. Though the rule currently specifies what happens to orders on the Exchange if the limit up-limit down state commences prior to the Rotation Period beginning for a class of options, the Exchange believes it is necessary to additionally state what would happen if the Rotation Period had already begun and the limit up-limit down state triggers during the time of that process. The Exchange believes that including pre-opening market order interest in the Rotation Period will enhance the liquidity available during the rotation, and that the nature of the opening match process will protect market orders against anomalous opening prices that could otherwise be caused by market conditions associated with a limit-up limit-down state. This will also

⁹ See Exchange Rule 6.10(a) which describes how market orders process.

¹⁰ See Exchange Rule 6.10(b) which describes how limit orders process.

¹¹ See Exchange Rule 6.11(f) which describes how the Exchange will open in the presence of Opening Conditions. If a limit up-limit down state commences after the Rotation Period has begun for a class of options, options to buy and sell will be paired to the extent possible. If another market is displaying a more favorable price, then the Exchange will open as described in 6.11(f). Consistent with Rule 6.11(f), the Exchange will link any unmatched portion of the market order to an away trading venue. Any portion of a market order that is unfilled and returned to the Exchange will be cancelled. Thus, market orders will not be filled at an unreliable price because they will either be paired with other resting orders at the open or linked to an away trading venue displaying a more favorable price. The Exchange believes this is consistent with the treatment of market orders and ensures they will not be given an unreliable price despite the limit up-limit down state. Additionally, because limit orders have a limit price, these orders will also not fill at an unreliable price.

³ See Securities Exchange Act Release No. 64547 (May 25, 2011), 76 FR 31647 (June 1, 2011) (File No. 4-631).

⁴ *Id.*

⁵ See Securities and Exchange Act Release No. 67091 (May 31, 2012), 77 FR 33498 (June 6, 2012) (File No. 4-631).

⁶ See Securities and Exchange Act Release No. 67091 (May 31, 2012) 77 FR 33498 (June 6, 2012).

⁷ See Securities and Exchange Act Release No. 34-69345 (April 8, 2013), 78 FR 21985 (April 11, 2013) (SR-C2-2013-013).

⁸ See Exchange Rule 6.11.03.

help to ensure the options markets remain just and equitable with the implementation of the Plan.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the "Act") and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.¹² Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹³ requirements that the rules of an exchange be 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. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁴ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes the proposed changes will be in accordance with the Act as they are merely intended to ensure the options markets will continue to remain just and equitable with the implementation of the Plan which is intended to reduce the negative impacts of a sudden, unanticipated price movement in NMS stocks. The proposed rule changes would promote this intention in the options markets while protecting investors participating there. More specifically, the currently proposed changes will correct and clarify current Exchange rules promoting the interest of investors. Finally, creating a more orderly market will promote just and equitable principles of trade by allowing investors to feel more secure in their participation in the national market system after the implementation of the Plan. In addition, the Exchange is proposing to provide a more robust rule text by clarifying what occurs if a limit up-limit down states initiates after the beginning of the Exchange's opening rotation. The Exchange believes that not cancelling the pre-opening interest will ensure investors can execute more interest despite the change in the market

conditions after the opening process has begun. This will also help to ensure the options markets remain just and equitable with the implementation of the Plan.

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

C2 does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Specifically, the Exchange believes the proposed changes will not impose any burden on intramarket competition because it applies to all Permit Holders equally. The Exchange does not believe the proposed changes will impose any burden on intermarket competition as the changes are merely being made to protect investors with the implementation of the Plan. In addition, the proposed changes will provide certainty of treatment and execution of options orders during periods of extraordinary market volatility.

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

The Exchange neither solicited nor received comments on the proposed rule change.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act¹⁵ and Rule 19b-4(f)(6) thereunder.¹⁶ Because the proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.

At any time within 60 days of the filing of such 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 under Section 19(b)(2)(B)¹⁷ of the Act 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. Please include File Number SR-C2-2013-028 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-C2-2013-028. 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 Section, 100 F Street NE., Washington, DC 20549-1090 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing will also 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

¹² 15 U.S.C. 78f(b).

¹³ 15 U.S.C. 78f(b)(5).

¹⁴ *Id.*

¹⁵ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁶ 17 CFR 240.19b-4(f)(6).

¹⁷ 15 U.S.C. 78s(b)(2)(B).

should refer to File Number SR-C2-2013-028 and should be submitted on or before August 29, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁸

Kevin M. O'Neill,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-70098; File No. SR-NYSEMKT-2013-66]

Self-Regulatory Organizations; NYSE MKT LLC; Notice of Filing of Proposed Rule Change To Adopt the Text of New York Stock Exchange Rule 49 as Rule 49—Equities in Order To Authorize Exchange Officials To Exercise the Same Emergency Powers As NYSE Officials May Exercise

August 2, 2013.

Pursuant to Section 19(b)(1) ¹ of the Securities Exchange Act of 1934 (the “Act”) ² and Rule 19b-4 thereunder,³ notice is hereby given that on July 22, 2013, NYSE Arca, Inc. (“NYSE Arca” or “Exchange”) 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 the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to [adopt] the text of New York Stock Exchange (“NYSE”) Rule 49 as Rule 49—Equities in order to authorize Exchange officials to exercise the same emergency powers as NYSE officials may exercise. The text of the proposed rule change is available on the Exchange's Web site at www.nyse.com, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the self-regulatory organization included

statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

1. Purpose

The Exchange proposes to adopt the text of proposed NYSE Rule 49 as Rule 49—Equities in order to authorize Exchange officials to exercise the same emergency powers as NYSE officials may exercise.⁴

Background

In 2009, NYSE adopted NYSE Rule 49 to provide NYSE officials with the authority to declare an emergency condition ⁵ with respect to trading on or through NYSE's systems and facilities and to act as necessary in the public interest and for the protection of investors.⁶ The authority in NYSE Rule 49 may be exercised when, due to an emergency condition, NYSE's systems and facilities located at 11 Wall Street, New York, New York, including the NYSE Trading Floor, cannot be utilized. If such an emergency condition is declared, a qualified NYSE officer may, among other things, designate NYSE Arca LLC (“NYSE Arca”), NYSE's and the Exchange's affiliate, to serve as a backup facility to receive and process bids and offers and to execute orders on behalf of NYSE so that NYSE, as a self-regulatory organization (“SRO”), can remain operational.⁷ NYSE Arca, which

would continue to operate simultaneously during the emergency condition, has a counterpart rule, NYSE Arca Equities Rule 2.100. To date, NYSE has not invoked NYSE Rule 49. The Exchange currently has no counterpart rule.

On October 29 and 30, 2012, due to the dangerous conditions that developed as a result of Superstorm Sandy, NYSE and the Exchange, as well as a number of their member organizations located in the tri-state area, were unable to open because of the risk of flooding at their physical locations. In addition, other broker-dealers and exchanges with facilities in the area were also faced with significant staffing challenges because the storm conditions prevented personnel from getting to work. As a result, it was agreed, after consulting with other exchanges, market participants, and Commission staff, and in light of concerns over the physical safety of personnel and the possibility of technical issues, that all U.S. equities and options markets would be closed for those two days.

NYSE has proposed to amend NYSE Rule 49 to more effectively delineate the SRO functions of the Exchange and NYSE Arca during an emergency condition, reflect the operational preferences of the industry, and reflect the current structure of member organization connectivity to and system coding for exchange systems.⁸ The current NYSE rule contemplates the Exchange remaining operational during the emergency condition and both NYSE and NYSE Arca performing certain SRO functions with respect to the same trading activity that would be taking place on NYSE Arca. NYSE believes that a more practical and effective structure would be to have all trading activity occurring on NYSE Arca under that SRO's authority, with one exception. NYSE Arca would, on behalf and at the direction of NYSE, disseminate certain primary listing market messages as both NYSE and NYSE Arca messages so that market participants' systems could properly recognize such messages. NYSE Arca would do so beginning on the next trading day following the declaration of the emergency condition. All trading volume on NYSE Arca in NYSE-listed securities during the emergency condition would be reported as NYSE

subsidiary, NYSE Arca Equities, Inc., referred to as the “NYSE Arca Marketplace.” For the purposes of this filing and in the text of proposed Rule 49—Equities, these shall be referred to collectively as the systems and facilities of NYSE Arca, or simply NYSE Arca.

⁸ See *supra* [note 4].

⁴ See SR-NYSE-2013-54.

⁵ The definition of “emergency” is the one used in Section 12(k)(7) of the Act and is also used by other exchanges and the Securities and Exchange Commission (“Commission”). Section 12(k)(7) defines an emergency to mean “(A) a major market disturbance characterized by or constituting—(i) sudden and excessive fluctuations of securities prices generally, or a substantial threat thereof, that threaten fair and orderly markets; or (ii) a substantial disruption of the safe or efficient operation of the national system for clearance and settlement of transactions in securities, or a substantial threat thereof; or (B) a major disturbance that substantially disrupts, or threatens to substantially disrupt—(i) the functioning of securities markets, investment companies, or any other significant portion or segment of the securities markets; or (ii) the transmission or processing of securities transactions.” 15 U.S.C. 78l(k)(7).

⁶ See Securities Exchange Act Release No. 61177 (December 16, 2009), 74 FR 68643 (December 28, 2009) (SR-NYSE-2009-105).

⁷ NYSE Arca trades equity securities on the systems and facilities of its wholly owned

¹⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.