

only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CBOE-2014-043 and should be submitted on or before June 26, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁰

Kevin M. O'Neill,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-72283; File No. SR-DTC-2014-06]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing of Proposed Rule Change To Modify the Receiver Authorized Delivery and Reclaim Processing Value Limits by Transaction

MAY 30, 2014

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 May 22, 2014, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change 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 consists of changes to the DTC Settlement Service Guide (the "Guide")³ to modify the Receiver Authorized Delivery ("RAD") functionality as more fully described below to reduce the intraday uncertainty that may arise from reclaim transactions linked to Deliver Orders ("DOs") and Payment Orders ("POs")⁴ and any potential credit and liquidity risk from such reclaims.⁵

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. Purpose

By this rule filing, DTC seeks to modify the RAD functionality to reduce the intraday uncertainty that may arise from reclaim transactions linked to DOs and POs and any potential credit and liquidity risk from such reclaims, as more fully described below.

Currently, as set forth in the DTC Settlement Service Guide (the "Guide"), all valued DOs and POs in amounts above \$7.5 million and \$500,000, respectively, are subject to the RAD process, which allows a receiver of DOs

and/or POs ("Receiver") to review and reject transactions that it does not recognize prior to DTC's processing of the transactions in accordance with the Rules. In contrast, lower valued DOs and POs do not require the Receiver's acceptance prior to processing; instead, if the Receiver does not recognize a DO or PO it has received, the DO or PO may be returned by the Receiver to the original deliverer of the DO or PO ("Deliverer") in a reclaim transaction. While both the reclaim and RAD functionalities allow a Receiver to exercise control over which transactions to accept, reclaims tend to create uncertainty because transactions may be returned late in the day, when the Deliverer may have limited options to respond. Because such reclaims are permitted without regard to risk management controls, the Deliverer may then incur a greater settlement obligation, increasing credit and liquidity risk to the Deliverer and to DTC.⁶

Therefore, pre-settlement matching of transactions through RAD without the ability of the Receiver to reclaim those transactions is the preferred approach as this would eliminate the uncertainty and credit and liquidity implications associated with reclaims. In 2013, DTC took an initial step to address this uncertainty by lowering the RAD "threshold" over which transactions must be matched for DOs and POs from \$15 million and \$1 million, respectively, to the current limits mentioned above.⁷ Under the proposed rule change, DTC would further change RAD to require Participants to match valued DOs and POs, prior to processing the associated deliveries. These matched transactions would be processed through DTC subject to risk management controls.

Likewise, under the proposed rule change, each return of a matched DO or PO attempted to be made by a Receiver to the Deliverer would no longer be processed as a reclaim, but rather would be treated as an original instruction that

³ The Guide is available at <http://www.dtcc.com/~media/Files/Downloads/legal/service-guides/Settlement.ashx>.

⁴ A DO is a book-entry movement of a particular security between two DTC Participants. A PO is a method for settling funds related to transactions and payments not associated with a DO. For purposes of this proposed rule change the defined term "DOs" includes all valued DOs except for DOs of: (i) Money Market Instruments and (ii) Institutional Deliveries affirmed through Omega, both of which are not impacted by the proposed rule change.

⁵ Terms not defined herein have the meaning set forth in DTC's Rules & Procedures (the "Rules").

⁶ DTC's risk management controls, including Collateral Monitor and Net Debit Cap (as defined in DTC Rule 1), are designed so that DTC can effect system-wide settlement notwithstanding the failure to settle of its largest Participant or affiliated family of Participants. Net Debit Cap limits the net debit balance a Participant can incur so that the unpaid settlement obligation of the Participant, if any, cannot exceed DTC liquidity resources. The Collateral Monitor tests that a Receiver has adequate collateral to secure the amount of its net debit balance so that DTC may borrow funds to cover that amount for system-wide settlement if the Participant defaults.

⁷ Securities Exchange Act Release No. 69985 (Jul. 12, 2013); 78 FR 42991 (Jul. 18, 2013) (SR-DTC-2013-04).

²⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

would be subject to risk management controls and matching via RAD.

Pursuant to the proposed rule change, DTC would revise the Guide to reflect that: (i) with respect to valued DOs, DTC would lower the above-described RAD threshold to \$.01 via a three-stage reduction as set forth below, and (ii) with respect to POs, DTC would reduce the RAD threshold to zero immediately upon implementation of the proposed rule change.⁸ In this regard, upon implementation of the rule change DTC would initially reduce the RAD threshold for DOs to \$100,000. In the second increment the RAD threshold for valued DOs would be reduced to \$20,000. In the third increment the RAD threshold for DOs would be reduced to \$.01.

In addition, to further promote finality of settlement, the Guide would be revised to remove the provision that New Issues are exempt from RAD.

Also, the Guide would be updated to reflect that certain related functions would no longer be accessible through the Participant Terminal System (PTS). Any such functions would instead be accessible through a DTC Web application known as "Settlement Web." Further, the Guide would be clarified via a technical change to specifically state that the RAD threshold for Institutional Transactions remains at \$15 million, rather than at the \$7.5 million amount currently in effect for non-institutional transactions. Finally, the Guide would be revised to remove a provision that overvalued deliveries are automatically routed to RAD as this section would become redundant upon implementation of the proposed rule change since all DOs would be subject to RAD.

Implementation

The effective date of the proposed rule change, including the implementation dates of the incremental reductions described above would be announced via a DTC Important Notice.⁹

⁸ As noted in footnote 4 above, Institutional Deliveries affirmed through Omgeo are not impacted by the proposed rule change. Such Institutional Deliveries are subject to matching via RAD only if a Participant makes an election in this regard. When applied, the RAD threshold for these Institutional Deliveries is \$15 million. DTC plans to lower the RAD limit for Institutional Transactions to \$.01 as part of a future proposal.

⁹ For purposes of taking into account the incremental implementation of the proposed rule change as described above, beginning on an implementation date that shall be announced via DTC Important Notice (the "Initial Implementation Date") DTC would lower the RAD limit for non-institutional DOs to \$100,000 and POs to zero. From a date that is approximately 2 weeks following the Initial Implementation Date and that shall be

2. Statutory Basis

The proposed rule change would facilitate intra-day finalization of securities and payment deliveries in DTC's system by increasing the number of DOs and POs required to be approved by the Receiver via RAD prior to DTC processing, and removing the possibility that those matched deliveries could be returned to the Deliverer via a reclaim. As such, the proposed rule change is consistent with the provisions of Section 17A(b)(3)(F)¹⁰ of the Act which requires that the rules of the clearing agency be designed, *inter alia*, to promote the prompt and accurate clearance and settlement of securities transactions. In addition, the proposed rule change is consistent with Rule 17Ad-22(d)(12) of the Act¹¹ which requires that a clearing agency establish, implement, maintain and enforce written policies and procedures reasonably designed to ensure that final settlement occurs no later than the end of the settlement day and requires that intraday or real-time finality be provided where necessary to reduce risks.

(B) Self-Regulatory Organization's Statement on Burden on Competition

All Participants would be subject to the proposed change, and therefore DTC does not believe that the proposed rule change would 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 with respect to this filing.

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 up to 90 days (i) as the Commission may designate 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 will:

announced by Important Notice, until a date that is approximately 6 weeks following the Initial Implementation Date and that shall be announced by Important Notice, DTC would lower the RAD limit for non-institutional DOs to \$20,000. From a date that is approximately 6 weeks following the Initial Implementation Date and that shall be announced by Important Notice, DTC would lower the RAD limit for non-institutional DOs to \$.01.

¹⁰ 15 U.S.C. 78q-1(b)(3)(F).

¹¹ 17 CFR 240.17Ad-22(d)(12).

(A) by order approve or disapprove such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be 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 No. SR-DTC-2014-06 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 No. SR-DTC-2014-06. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filings also will be available for inspection and copying at the principal office of DTC and on DTC's Web site at <http://dtcc.com/legal/sec-rule-filings.aspx>. 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 No. SR-DTC-2014-

06 and should be submitted on or before June 26, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

Kevin M. O'Neill,
Deputy Secretary.

[FR Doc. 2014-13018 Filed 6-4-14; 8:45 am]

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DEPARTMENT OF STATE

[Public Notice 8756]

Notice of Issuance of a Presidential Permit for Plains LPG Services, L.P. (Detroit River Pipeline Facilities)

AGENCY: Department of State.

ACTION: Notice of Issuance of a Presidential Permit for Plains LPG Services, L.P. (Detroit River Pipeline Facilities).

SUMMARY: The Department of State issued a Presidential Permit to Plains LPG Services, L.P. ("Plains LPG") on May 23, 2014, authorizing Plains LPG to connect, operate, and maintain existing pipeline facilities ("Detroit River Pipeline") it acquired at the border of the United States and Canada as a carrier for the transport of petroleum, petroleum products, and other liquid hydrocarbons between the United States and Canada. The Department of State determined that issuance of this permit would serve the national interest. In making this determination and issuing the permit, the Department of State followed the procedures established under Executive Order 13337, and provided public notice and opportunity for comment.

FOR FURTHER INFORMATION CONTACT: Office of Europe, Western Hemisphere and Africa, Bureau of Energy Resources, U.S. Department of State (ENR/EDP/EWA), 2201 C St. NW., Ste. 4843, Washington, DC 20520. Attn: Deputy Director. Tel: 202-736-7149.

SUPPLEMENTARY INFORMATION: Additional information concerning the Plains LPG pipeline and documents related to the Department of State's review of the application for a Presidential Permit can be found at <http://www.state.gov/enr/applicant>. Following is the text of the issued permit:

PRESIDENTIAL PERMIT

AUTHORIZING PLAINS LPG SERVICES, L.P. TO CONNECT, OPERATE, AND MAINTAIN PIPELINE FACILITIES AT THE INTERNATIONAL BOUNDARY BETWEEN THE UNITED STATES AND CANADA

By virtue of the authority vested in me as Under Secretary of State for Economic Growth, Energy, and the Environment, including those authorities under Executive Order 13337, 69 FR 25299 (2004), and Department of State Delegation of Authority 118-2 of January 26, 2006; having requested and received the views of members of the public and various federal agencies; I hereby grant permission, subject to the conditions herein set forth, to Plains LPG Services, L.P. (hereinafter referred to as the "permittee"), a Texas limited partnership, to connect, operate, and maintain existing pipeline facilities at the border of the United States and Canada running underneath the Detroit River for the transport of petroleum, petroleum products, and other liquid hydrocarbons between the United States and Canada.

The term "facilities" as used in this permit means the relevant portion of the pipeline and any land, structures, installations or equipment appurtenant thereto.

The term "United States facilities" as used in this permit means those parts of the facilities located in the United States. The United States facilities consist of a ten-inch diameter pipeline in existence at the time of this permit's issuance extending from the international border between the United States and Canada underneath the Detroit River to the first block valve in the United States, located at a point onshore in Detroit, Michigan. The United States facilities also include certain appurtenant facilities.

This permit is subject to the following conditions:

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

(2) The connection, operation and maintenance of the United States facilities shall be in all material respects as described in the permittee's June 15, 2012 application for a Presidential Permit (the "Application").

Article 2. The standards for, and the manner of, the operation and maintenance of the United States facilities shall be subject to inspection and approval by the representatives of appropriate federal, state and local agencies. The permittee shall allow duly authorized officers and employees of such agencies free and unrestricted access to said facilities in the performance of their official duties.

Article 3. The permittee shall comply with all applicable federal, state, and local laws and regulations regarding the connection, operation, and maintenance of the United States facilities and with all applicable industrial codes. The permittee shall obtain all requisite permits from state and local government entities and relevant federal agencies.

Article 4. Connection, operation, and maintenance of the United States facilities hereunder shall be subject to the limitations, terms, and conditions issued by any competent agency of the United States Government. The permittee shall continue the operations hereby authorized and conduct maintenance in accordance with such limitations, terms, and conditions. Such limitations, terms, and conditions could address, for example, environmental protection and mitigation measures, safety requirements, export or import and customs regulations, measurement capabilities and procedures, requirements pertaining to the pipeline's capacity, and other pipeline regulations.

Article 5. The permittee shall notify the Commissioner of Customs and Border Protection immediately if it plans to inject foreign merchandise into the United States facilities. In order to confirm the safety and integrity of the facilities and compliance with all applicable regulations, the permittee shall notify the Associate Administrator for Pipeline Safety at the Pipeline and Hazardous Materials Safety Administration immediately with regard to its plans to return to active service the United States facilities, which are not currently in use for the transport of authorized products.

Article 6. Upon the termination, revocation, or surrender of this permit, and unless otherwise agreed by the Secretary of State or the Secretary's delegate, the United States facilities in the immediate vicinity of the international boundary shall be removed by and at the expense of the

¹² 17 CFR 200.30-3(a)(12).