

consider the matters raised in each docket.

2. Pursuant to 39 U.S.C. 505, Cassie D'Souza is appointed to serve as an officer of the Commission to represent the interests of the general public in these proceedings (Public Representative).

3. Comments are due no later than April 5, 2016.

4. The Secretary shall arrange for publication of this order in the **Federal Register**.

By the Commission.

Stacy L. Ruble,

Secretary.

[FR Doc. 2016-07551 Filed 4-1-16; 8:45 am]

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POSTAL REGULATORY COMMISSION

[Docket Nos. MC2016-108 and CP2016-136; Order No. 3185]

New Postal Product

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: The Commission is noticing a recent Postal Service filing concerning the addition of Priority Mail Contract 201 to the competitive product list. This notice informs the public of the filing, invites public comment, and takes other administrative steps.

DATES: *Comments are due:* April 5, 2016.

ADDRESSES: Submit comments electronically via the Commission's Filing Online system at <http://www.prc.gov>. Those who cannot submit comments electronically should contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section by telephone for advice on filing alternatives.

FOR FURTHER INFORMATION CONTACT: David A. Trissell, General Counsel, at 202-789-6820.

SUPPLEMENTARY INFORMATION:

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I. Introduction

In accordance with 39 U.S.C. 3642 and 39 CFR 3020.30-35, the Postal Service filed a formal request and associated supporting information to add Priority Mail Contract 201 to the competitive product list.¹

¹ Request of the United States Postal Service to Add Priority Mail Contract 201 to Competitive Product List and Notice of Filing (Under Seal) of

The Postal Service contemporaneously filed a redacted contract related to the proposed new product under 39 U.S.C. 3632(b)(3) and 39 CFR 3015.5. Request, Attachment B.

To support its Request, the Postal Service filed a copy of the contract, a copy of the Governors' Decision authorizing the product, proposed changes to the Mail Classification Schedule, a Statement of Supporting Justification, a certification of compliance with 39 U.S.C. 3633(a), and an application for non-public treatment of certain materials. It also filed supporting financial workpapers.

II. Notice of Commission Action

The Commission establishes Docket Nos. MC2016-108 and CP2016-136 to consider the Request pertaining to the proposed Priority Mail Contract 201 product and the related contract, respectively.

The Commission invites comments on whether the Postal Service's filings in the captioned dockets are consistent with the policies of 39 U.S.C. 3632, 3633, or 3642, 39 CFR part 3015, and 39 CFR part 3020, subpart B. Comments are due no later than April 5, 2016. The public portions of these filings can be accessed via the Commission's Web site (<http://www.prc.gov>).

The Commission appoints Curtis E. Kidd to serve as Public Representative in these dockets.

III. Ordering Paragraphs

It is ordered:

1. The Commission establishes Docket Nos. MC2016-108 and CP2016-136 to consider the matters raised in each docket.

2. Pursuant to 39 U.S.C. 505, Curtis E. Kidd is appointed to serve as an officer of the Commission to represent the interests of the general public in these proceedings (Public Representative).

3. Comments are due no later than April 5, 2016.

4. The Secretary shall arrange for publication of this order in the **Federal Register**.

By the Commission.

Stacy L. Ruble,

Secretary.

[FR Doc. 2016-07522 Filed 4-1-16; 8:45 am]

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Unredacted Governors' Decision, Contract, and Supporting Data, March 25, 2016 (Request).

SECURITIES AND EXCHANGE COMMISSION

[Release No. SIPA-176; File No. SIPC-2016-01]

Securities Investor Protection Corporation; Order Approving the Determination of the Board of Directors of the Securities Investor Protection Corporation Not To Adjust for Inflation the Standard Maximum Cash Advance Amount and Notice of the Standard Maximum Cash Advance Amount

March 30, 2016.

I. Background

On February 17, 2016, the Securities Investor Protection Corporation ("SIPC") filed with the Securities and Exchange Commission ("Commission"), under sections 9(e)(1) and 3(e)(2)(A) of the Securities Investor Protection Act of 1970 ("SIPA"),¹ notification that SIPC's Board of Directors (the "SIPC Board") had determined that the standard maximum cash advance amount available to satisfy customer claims for cash in a SIPA liquidation proceeding would remain at \$250,000 beginning January 1, 2017 and for the five-year period immediately thereafter. The Commission published for comment notice of the SIPC Board's determination in the **Federal Register** on February 25, 2016.² The Commission did not receive any comments. The Commission today is approving, by order, the SIPC Board's determination. The Commission is also publishing notice that the standard maximum cash advance amount will remain \$250,000 beginning January 1, 2017 and for the five-year period immediately thereafter.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act")³ amended SIPA to raise the "standard maximum cash advance amount" from \$100,000 to \$250,000 per customer.⁴ This aligned

¹ See 15 U.S.C. 78fff-3(e)(1) and 15 U.S.C. 78ccc(e)(2)(A), respectively.

² See *Securities Investor Protection Corporation*, Release No. SIPA-174 (Feb. 22, 2016), 81 FR 9561 (Feb. 25, 2016). The notice set forth SIPC's statement of the purpose and statutory basis of the determination of the SIPC Board not to adjust the standard maximum cash advance amount for inflation (the "February 17, 2016 SIPC Statement of Purpose"), which was attached to a letter from SIPC to the Commission, dated February 17, 2016.

³ Public Law 111-203, 124 Stat. 1376 (July 21, 2010).

⁴ In a liquidation of a broker-dealer performed under SIPA, a fund of customer property is established for priority distribution to customers ahead of all other creditors. Each customer is entitled to a pro rata share of the customer property to the extent of the customer's net equity in the customer's account. If the amount of customer

that amount with the maximum insurance amount provided by the Federal Deposit Insurance Corporation (“FDIC”) to customers of a failed bank. The Dodd-Frank Act also amended SIPA to require the SIPC Board of Directors to determine, no later than January 1, 2011, and every five years thereafter, whether an inflation adjustment to the standard maximum cash advance amount available to satisfy customer claims in a SIPA liquidation proceeding is appropriate.⁵ Any adjustment to the standard maximum cash advance amount takes effect on January 1 of the year immediately succeeding the calendar year in which the adjustment is made.⁶ The SIPC Board’s determination on whether to make an adjustment is subject to Commission approval as provided under section 3(e)(2) of SIPA.⁷ The Commission must publish notice of the standard maximum cash advance amount in the **Federal Register** no later than April 5 of any calendar year in which SIPC is required to determine whether an inflation adjustment is appropriate.⁸

II. Determination of the SIPC Board Not To Adjust the Standard Maximum Cash Advance Amount

SIPC filed with the Commission on February 17, 2016 notification that the SIPC Board had determined not to raise the standard maximum cash advance amount above \$250,000, and thereby maintain it at that level beginning January 1, 2017 and for the five-year period immediately thereafter.⁹ In its February 17 filing, SIPC stated that applying the formula prescribed by SIPA in this instance would have increased the standard maximum cash advance amount by \$20,000 and that the SIPC Board weighed the factors it considered in making its determination against an increase of that amount.

property is insufficient to satisfy a customer’s net equity claim, SIPC advances money to satisfy the claim up to \$500,000 per customer, of which up to \$250,000 (*i.e.*, the standard maximum cash advance amount) can be used to satisfy a claim for cash. See 15 U.S.C. 78fff–3.

⁵ 15 U.S.C. 78fff–3(e)(1). For reasons discussed in the February 17, 2016 SIPC Statement of Purpose, SIPC did not make such a determination on January 1, 2011. See *Securities Investor Protection Corporation*, 81 FR 9561.

⁶ 15 U.S.C. 78fff–3(e)(4).

⁷ See 15 U.S.C. 78ccc(e)(2); 15 U.S.C. 78fff–3(e)(1).

⁸ 15 U.S.C. 78fff–3(e)(3)(A).

⁹ See February 17, 2016 SIPC Statement of Purpose. As stated above, any adjustment to the standard maximum cash advance amount takes effect on January 1 of the year immediately succeeding the calendar year in which such an adjustment is made. See 15 U.S.C. 78fff–3(e)(4). Therefore, the SIPC Board’s determination to maintain the standard maximum cash advance amount at \$250,000 takes effect on January 1, 2017.

However, for the reasons discussed below, the SIPC Board determined not to make the inflation adjustment.

SIPC described the factors the SIPC Board considered in making the determination to maintain the standard maximum cash advance amount at \$250,000, including factors that it was required to consider under SIPA.¹⁰ In particular, the SIPC Board considered data and a related SIPC staff analysis examining broker-dealers’ aggregate leverage, liquidity, default risk, and the aggregate number of customer free credit balances. The analysis concluded that the SIPC fund is positioned to remain on a steady growth path for the foreseeable future, barring any unforeseen catastrophic event.

The SIPC Board also considered that, of the more than 625,000 allowed claims in completed or substantially completed liquidation proceedings as of December 31, 2014, the unsatisfied portion of cash claims amounted to \$25 million. More than half of that amount related to only three claims that were submitted when the limit of protection for cash claims was less than the current \$250,000. In the six SIPA proceedings initiated since 2010, the year the standard maximum cash advance amount was raised, SIPC has advanced funds for only one customer cash claim where the claim (but not the advance) exceeded \$250,000.

The SIPC Board also considered that customer credit balances at brokerage firms had decreased at the end of 2013 and 2014, and that due to broker-dealers’ offer of overnight “sweep” programs, customer free credit balances were being moved to bank accounts, with the protection of such accounts thereby transferred to the FDIC.

Further, the SIPC Board considered the relationship between the amount of the SIPC standard maximum cash advance amount and the maximum amount of protection afforded by the FDIC to customers of a failed bank. Increases to the limit of protection for cash claims under SIPA historically have moved in lockstep with increases in FDIC deposit insurance. The SIPC Board considered that FDIC deposit insurance is currently \$250,000. The SIPC Board concluded that, on balance, in light of the unprecedented break with the FDIC limit that would result, with possibly harmful consequences, and the absence of evidence that an appreciable

¹⁰ The SIPC Board is required to consider the following criteria under SIPA: (1) The overall state of the fund and the economic conditions affecting members of SIPC; (2) the potential problems affecting members of SIPC; and (3) such other factors as the SIPC Board may determine appropriate. See 15 U.S.C. 78fff–3(e)(5).

number of investors would be benefited, an adjustment to the limit of protection for cash claims in a SIPA liquidation proceeding would not be appropriate.¹¹

III. Discussion and Commission Order

Section 3(e)(2)(A) of SIPA provides that the SIPC Board must file with the Commission any proposed amendment to a SIPC Rule.¹² Section 3(e)(2)(B) of SIPA provides that within thirty-five days of the date of publication of the notice of filing of a proposed rule change in the **Federal Register**, or within such longer period (1) as the Commission may designate of not more than ninety days after such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (2) as to which SIPC consents, the Commission shall: (i) By order approve such proposed rule change or (ii) institute proceedings to determine whether such proposed rule change should be disapproved. Further, section 3(e)(2)(D) of SIPA provides that the Commission shall approve a proposed rule change if it finds that the proposed rule change is in the public interest and is consistent with the purposes of SIPA.¹³ The SIPC Board’s determination to not adjust the standard maximum cash advance amount is subject to the approval of the Commission as provided under section 3(e)(2) of SIPA.¹⁴

The Commission finds, pursuant to section 3(e)(2)(D) of SIPA, that the determination of the SIPC Board not to adjust for inflation the standard maximum cash advance amount of \$250,000 beginning January 1, 2017 and for the five-year period immediately thereafter is in the public interest and consistent with the purposes of SIPA. The Commission believes that maintaining the amount at \$250,000 at this time to keep it aligned with the maximum amount of insurance provided by the FDIC is appropriate. For example, there could be unintended consequences resulting from raising the amount to a level that is higher than the maximum FDIC insurance amount, such as incentivizing investors to move additional funds to their brokerage accounts from bank accounts. Moreover, the Commission believes that maintaining the standard maximum cash advance amount at \$250,000 is consistent with the public interest in light of the statistics considered by the SIPC Board that indicated that customer

¹¹ See *Securities Investor Protection Corporation*, Release No. SIPA–174 (Feb. 22, 2016), 81 FR 9561 (Feb. 25, 2016).

¹² 15 U.S.C. 78ccc(e)(2)(A).

¹³ 15 U.S.C. 78ccc(e)(2)(D).

¹⁴ 15 U.S.C. 78fff–3(e)(1).

claims for cash have been historically satisfied in full and the trend that customer credit balances at broker-dealers have been decreasing in recent years.¹⁵

It is therefore ordered, pursuant to section 3(e)(2) of SIPA, that the determination by the SIPC Board that the standard maximum cash advance amount will remain at \$250,000 beginning January 1, 2017, and for the five-year period immediately thereafter, be and hereby is approved.

IV. Notice of the Standard Maximum Cash Advance Amount

SIPA requires that the Commission publish the standard maximum cash advance amount in the **Federal Register** no later than April 5 of any calendar year in which SIPC is required to determine whether an inflation adjustment is appropriate.¹⁶ Accordingly, pursuant to section 9(e)(3)(A) of SIPA, the Commission is hereby providing notice that the standard maximum cash advance amount is \$250,000 beginning January 1, 2017 and for the five-year period immediately thereafter.

By the Commission.

Brent J. Fields,
Secretary.

[FR Doc. 2016-07600 Filed 4-1-16; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-77464; File Nos. SR-BATS-2016-10, SR-BYX-2016-02, SR-EDGX-2016-04, and SR-EDGA-2016-01]

Self-Regulatory Organizations; BATS Exchange, Inc., BATS Y-Exchange, Inc., EDGX Exchange, Inc., EDGA Exchange, Inc.; Order Approving Proposed Rule Changes To Amend and Restate the Certificate of Incorporation and Bylaws of the Exchanges' Ultimate Parent Company, BATS Global Markets, Inc.

March 29, 2016.

I. Introduction

On February 9, 2016, BATS Exchange, Inc. ("BATS"), BATS Y-Exchange, Inc. ("BYX"), EDGX Exchange, Inc. ("EDGX"), and EDGA Exchange, Inc. ("EDGA") (collectively, the "Exchanges" and each, an "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities

Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² proposed rule changes to amend the certificate of incorporation (the "Current Certificate of Incorporation") and bylaws (the "Current Bylaws") of BATS Global Markets, Inc. (the "Corporation"), the Exchanges' ultimate parent company, in connection with the Corporation's anticipated initial public offering of shares of its common stock on BATS (the "IPO"). The proposed rule changes for EDGX and EDGA were published for comment in the **Federal Register** on February 22, 2016, and the proposed rule changes for BATS and BYX were published for comment in the **Federal Register** on February 23, 2016.³ The Commission received no comment letters regarding the proposals. This order approves the proposed rule changes.

II. Description of the Proposal

On December 16, 2016, the Corporation filed a registration statement on Form S-1 with the Commission seeking to register shares of common stock and to conduct an initial public offering of those shares, which would be listed for trading on BATS. In connection with the IPO, the Exchanges filed a proposed rule change to amend and restate the Corporation's Current Certification of Incorporation and adopt those changes as the Corporation's Amended and Restated Certificate of Incorporation (the "New Certificate of Incorporation") and amend and restate the Corporation's Current Bylaws and adopt those changes as its Amended and Restated Bylaws (the "New Bylaws"). The Exchanges anticipate that the Corporation's New Certificate of Incorporation and New Bylaws will become effective the moment before the closing of the IPO.⁴ According to the Exchanges, the proposed changes relate to the Corporation's governing documents only and do not relate to the governance of the Exchanges.⁵

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release Nos. 77147 (February 16, 2016), 81 FR 8767 (February 22, 2016) (SR-EDGX-2016-04) ("EDGX Notice"); 77146 (February 16, 2016), 81 FR 8788 (February 22, 2016) (SR-EDGA-2016-01) ("EDGA Notice"); 77155 (February 17, 2016), 81 FR 9008 (February 23, 2016) (SR-BATS-2016-10) ("BATS Notice"); and 77156 (February 17, 2016), 81 FR 9052 (February 23, 2016) (SR-BYX-2016-02) ("BYX Notice").

⁴ See EDGX Notice, *supra* note 3, at 8767; EDGA Notice, *supra* note 3, at 8788; BATS Notice, *supra* note 3, at 9008; and BYX Notice, *supra* note 3, at 9053.

⁵ See *id.*

A. The New Certificate of Incorporation

1. Capital Stock; Voting Rights

The Exchanges propose to revise the Current Certificate of Incorporation to reclassify all of the Corporation's existing stock as either "Voting Common Stock" or "Non-Voting Common Stock."⁶ The Corporation expects that the outstanding Class A Non-Voting Common Stock will convert into Voting Common Stock upon the IPO, pursuant to the terms of the Investor Rights Agreement dated January 31, 2014, among the Corporation and its stockholders signatory thereto.⁷ To effect this conversion, the New Certificate of Incorporation states that, at the time that the New Certificate of Incorporation becomes effective, each authorized, issued, and outstanding share of Class A Non-Voting Common Stock shall be automatically converted into one share of Voting Common Stock.⁸ In addition, the New Certificate of Incorporation would reclassify each authorized, issued, and outstanding share of Class B Non-Voting Common Stock into one share of Non-Voting Common Stock.⁹

Except for voting rights¹⁰ and certain conversion features,¹¹ the Exchanges propose that Non-Voting Common Stock and Voting Common Stock would generally rank equally and have identical rights and privileges.¹²

2. Board of Directors

The New Certificate of Incorporation would establish a "staggered" or classified board structure in which the Corporation's directors would be divided into three classes of equal size, to the extent possible.¹³ Under the proposed board structure, only one class of directors would be elected each year, and once elected, directors would serve a three-year term.¹⁴ Pursuant to the New

⁶ See generally proposed Article Fourth of the New Certificate of Incorporation.

⁷ See EDGX Notice, *supra* note 3, at 8768; EDGA Notice, *supra* note 3, at 8789; BATS Notice, *supra* note 3, at 9009; and BYX Notice, *supra* note 3, at 9053.

⁸ See proposed Article Fourth(b)(i) of the New Certificate of Incorporation.

⁹ See proposed Article Fourth(b)(ii) of the New Certificate of Incorporation.

¹⁰ See generally proposed Article Fourth(c) of the New Certificate of Incorporation.

¹¹ See generally proposed Article Fourth(d) of the New Certificate of Incorporation.

¹² See EDGX Notice, *supra* note 3, at 8768; EDGA Notice, *supra* note 3, at 8789; BATS Notice, *supra* note 3, at 9009; and BYX Notice, *supra* note 3, at 9054.

¹³ See proposed Article Sixth(c) of the New Certificate of Incorporation.

¹⁴ *Id.* Directors initially designated as Class I directors would serve for a term ending on the date of the 2017 annual meeting of stockholders, directors initially designated as Class II directors

¹⁵ See February 17, 2016 SIPC Statement of Purpose.

¹⁶ 15 U.S.C. 78fff-3(e)(3)(A).