

impediments to and perfect the mechanism and a free and open market by allowing the entry of RPIs to build a book of liquidity that would be available to provide price improvement to incoming Retail Orders as soon as the Core Trading Session begins.³⁸

Based on the Exchange's representations, the Commission believes that the proposed rule change does not raise any novel regulatory considerations and should provide greater specificity with respect to the functionality available on the Exchange as symbols are migrated to the Pillar platform. For these reasons, the Commission believes that the proposal should help to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, protect investors and the public interest.

IV. Accelerated Approval of Amendment Nos. 1 and 2

In Amendment No. 1, the Exchange proposes to delete references to IOC Routable Cross Orders because the Exchange has determined not to offer this order type when it implements Pillar. In Amendment No. 2, the Exchange proposes to: (i) Correct a cross reference in proposed Rule 7.31P(a)(2)(B) from Rule 7.10 to Rule 7.10P; (ii) add a new sentence to proposed Rule 7.31P(b)(2)(A) to specify that an incoming Limit IOC Order with a MTS must be at least a round lot and, if the MTS is larger than the size of the Limit IOC Order, the order would be rejected on arrival; (iii) to add a hard paragraph return between proposed Rule 7.31P(i)(1) and 7.31P(i)(2); and (iv) remove an extraneous reference to "500" in the sixth paragraph in the first example of proposed Rule 7.44P(l).

The Commission believes that the changes proposed in Amendment Nos. 1 and 2 are non-substantive and further clarify the operation of the proposed rules governing Pillar. Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,³⁹ to approve the proposed rule change, as modified by Amendment Nos. 1 and 2, on an accelerated basis.

V. Solicitation of Comments on Amendment Nos. 1 and 2

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether Amendment Nos. 1

and 2 are 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-NYSEArca-2015-56 on the subject line.

Paper Comments

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

All submissions should refer to File Number SR-NYSEArca-2015-56. 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 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-NYSEArca-2015-56, and should be submitted on or before November 20, 2015.

VI. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁴⁰ that the proposed rule change (SR-NYSEArca-2015-56), as modified by Amendment Nos. 1 and 2 thereto, be, and hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴¹

Robert W. Errett,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-76260; File No. SR-Phlx-2015-81]

Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Options Testing Facility

October 26, 2015.

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 16, 2015, NASDAQ OMX PHLX LLC ("Phlx" 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 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 the Substance of the Proposed Rule Change

The Exchange proposes to amend its Pricing Schedule at Chapter VII to adopt a new Section E, entitled "Testing Facilities" which describes fees in connection with the use of the Testing Facility ("NTF") test environment located in Carteret, New Jersey.

While the changes proposed herein are effective upon filing, the Exchange has designated that the amendments be operative on October 26, 2015.

The text of the proposed rule change is available on the Exchange's Web site at <http://nasdaqomxphlx.cchwallstreet.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 Exchange included statements concerning the purpose of and basis for

³⁸ *Id.*

³⁹ 15 U.S.C. 78s(b)(2).

⁴⁰ 15 U.S.C. 78s(b)(2).

⁴¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 proposes to amend its Pricing Schedule at Chapter VII to adopt a new Section E, entitled "Testing Facilities" to establish fees to subscribe for testing. Currently, Options members may test in a virtual trading environment for purposes of testing in Ashburn, Virginia ("Ashburn"), at no cost. The NTF provides subscribers a virtual system environment for testing upcoming Phlx releases and product enhancements, as well as testing firm software prior to implementation. The test environment closely approximates the production environment to enable subscribers to test their automated systems that integrate with the Exchange.

The Exchange is moving the options test environment from the Ashburn location to Carteret, NJ ("Carteret"), which is also the location of Phlx's primary trading System. While Options members will be able to continue to utilize the Ashburn facility at no cost until that facility is no longer in use, Options members will be able to subscribe to the Carteret test facility for future testing.³

The relatively large distance between the Ashburn Testing Facility and the majority of Phlx firms results in expensive connectivity costs for customers that connect via telecommunication providers. As a consequence, a large majority of member firms do not connect to Ashburn for NTF connectivity. In an effort to improve the utility of the NTF, Phlx is developing a test environment located in Carteret that will provide the same functionality as the testing functionality of Ashburn, yet more closely approximate the live trading environment due to its proximity to the System and upgraded hardware. In particular, the Carteret test environment will take advantage of technology upgrades Phlx is making to its trading-related systems. Unlike the Ashburn test environment, the Carteret test

environment will provide dedicated connectivity to the facility via a cross-connection to either a member firm's direct connection router in Carteret or its co-location cabinet.

Phlx notes that, because the Carteret facility also houses the System, subscribers to the Carteret test environment will no longer need to pay for third party connectivity to Ashburn,⁴ provided the sole purpose for connecting to Ashburn is for testing and not also for co-location or disaster recovery. Such member firms may use an existing connection to Carteret to access the NTF through the use of a dedicated switch port and cross connect within the facility. Similar to the equities test facility,⁵ the Exchange will assess a fee for the connection to this virtual trading environment for testing. Specifically, Phlx proposes a \$1,000 per hand-off, per month fee for connection to the Testing Facility. The hand-off fee includes either a 1Gb or 10Gb switch port and a cross connect to the Testing Facility. Subscribers shall also pay a one-time installation fee of \$1,000 per hand-off.

The connectivity provided under this rule also provides connectivity to the other test environments of The NASDAQ Stock Market LLC and NASDAQ OMX BX, Inc. Additionally, the connectivity may be utilized for either equities or options testing. If for example a Phlx member has already paid the \$1,000 per hand-off, per month for connection to the Testing Facility in Carteret, there would be no need to pay this fee for options testing.

Notwithstanding the foregoing, Phlx will also continue to offer certain limited testing capabilities free of charge at Carteret. Options members that connect to Carteret's [sic] NTF through a virtual private network ("VPN") through the internet for site-to-site limited order routing capability only will not be assessed a fee.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act⁶ in general, and with Sections 6(b)(4) and 6(b)(5) of the Act,⁷ in particular. Phlx believes the proposal is consistent with Section 6(b)(4) of the Act⁸ in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and

issuers and other persons using any facility or system which the Exchange operates or controls.

The proposed fees are equitably allocated because all Options members desiring to connect to the Carteret test environment will be assessed a uniform fee for those services. The Exchange believes that offering subscribers the option to subscribe to either 1Gb or 10Gb for the same fee is an equitable allocation because, unlike the live trading environment, there is no competitive advantage to possessing a higher capacity switch port in the test environment. The test environment is designed to closely mirror the live trading environment for Options members, including matching the capacity of each Options member's live environment switch port. In the absence of any competitive advantage, charging a uniform fee for both 1Gb and 10Gb switch ports is an equitable allocation of fees. Phlx believes that charging a uniform fee will encourage member firms to subscribe to Carteret, and further encourage those that subscribe to use the same hardware as is used by them for connectivity to the live trading environment.

The proposed fees are reasonable because they are designed to cover the costs incurred by the Exchange to develop the test facility and the costs incurred by the Exchange to continue to offer the test environment. The proposed fee should allow the Exchange to recoup these costs and also make a profit, while providing Options members with a superior test environment that more closely mirrors that of the live trading environment on the Exchange. Phlx believes that offering both 1Gb and 10Gb connectivity for the same fee is reasonable as the increased incremental cost it incurs by offering the 10Gb switch port at the lower fee is outweighed by the benefit all subscribers will receive if Options members use hardware identical to what they use in the live trading environment, hence furthering the goal of creating a test environment that closely mirrors the live trading environment.

Further, the connectivity provided under this rule also provides connectivity to the other test environments of The NASDAQ Stock Market LLC and NASDAQ OMX BX, Inc. This connectivity may be utilized for either equities or options testing. If for example a Phlx member has already paid the \$1,000 per hand-off, per month for connection to the Testing Facility in Carteret, there would be no need to pay this fee for options testing.

³ The Exchange anticipates that it will sunset the Ashburn trading testing functionality on January 29, 2016.

⁴ Today, member firms pay fees to third party connectivity providers to provide connection from the member firm to Ashburn.

⁵ See Phlx's Pricing Schedule at Chapter VIII concerning equities pricing.

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(4) and (5).

⁸ 15 U.S.C. 78f(b)(4).

The Exchange also believes the proposal furthers the objectives of Section 6(b)(5) of the Act⁹ in that it is designed to promote just and equitable principles of trade, 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 and is not designed to permit unfair discrimination between customer, issuers, brokers and dealers. Phlx does not believe that the proposed fees are unfairly discriminatory to subscribers utilizing 10Gb live trading environment connectivity because, unlike the live trading environment where the capacity of connectivity to Phlx may confer a competitive advantage to a market participant and therefore price differentiation is appropriate for the benefit conferred, there is no such benefit conferred in the trade test environment. Phlx does not believe that the proposed fees are unfairly discriminatory among subscribers to the Carteret test facility because all Options members that subscribe to the service will be assessed the same fees. Because the proposed fees do not discriminate between 1Gb and 10Gb connectivity options, Options members are able to subscribe to Carteret without regard to the cost of their switch port capacity election. Phlx believes that by not discriminating on this basis it will encourage members to connect to the Carteret test environment in the same manner as they do to the live trading environment, and thereby help Carteret more closely mirror the live test environment, as discussed above. Providing a more useful and accurate test environment will serve to improve live trading on Phlx and the national market system by permitting Options members the ability to accurately test changes prior to implementing them in the live trading environment, thereby reducing the likelihood of a potentially disruptive system failure in the live trading environment, which has the potential to affect all market participants.

Finally, the Exchange will continue to offer Options members certain limited testing capabilities free of charge at Carteret through VPN. While this feature offers limited capability in terms of functionality, the Exchange continues to offer a free of charge alternative to Options Participants [*sic*] desiring to utilize the NTF.

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

Phlx does not believe that the proposed rule change will result in any intra-market or inter-market burdens on competition that are not necessary or appropriate in furtherance of the purposes of the Act, as amended. The proposed fees for access to the Carteret test environment more closely approximate the live trading environment. Subscribing member firms will be able to more accurately test their trading systems and avoid potentially disruptive system failures in the live trading environment. Despite the fee that will now be assessed to Options members for testing, the Exchange believes that Options members utilizing this service will benefit from the move to Carteret because the test environment is designed to closely mirror the live trading environment for Options members, including matching the capacity of each Options member's live environment switch port.

Also, the connectivity provided under this rule also provides connectivity to the other test environments of The NASDAQ Stock Market LLC and NASDAQ OMX BX, Inc. Members that are already connected for equities testing would not incur an additional charge. This connectivity may be utilized for either equities or options testing. Finally, subscribing to the test facility is optional.

Additionally, the Exchange does not believe that the move to Carteret and imposition of connectivity fees to the NTF creates an undue burden on competition because the Exchange will continue to offer Options members certain limited testing capabilities free of charge at Carteret through VPN.

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

No written comments were either solicited or 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)(ii) of the Act.¹⁰

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: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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-Phlx-2015-81 on the subject line.

Paper Comments

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

All submissions should refer to File Number SR-Phlx-2015-81. 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 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-Phlx-2015-81, and should be submitted on or before November 20, 2015.

⁹ 15 U.S.C. 78f(b)(5).

¹⁰ 15 U.S.C. 78s(b)(3)(A)(ii).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹¹

Robert W. Errett,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-76270; File No. SR-NYSEARCA-2015-85]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Establishing Procedures and Credits in Connection With the Re-location of Equipment in the Exchange's Data Center

October 26, 2015.

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 October 22, 2015, NYSE Arca, Inc. (the "Exchange" or "NYSE Arca") filed with the Securities and Exchange Commission (the "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 establish procedures and credits in connection with the re-location of equipment in the Exchange's Data Center. 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange operates a data center in Mahwah, New Jersey, from which it provides co-location services to Users. ⁴ The Exchange's co-location services allow Users to rent space in the Data Center so they may locate their electronic servers in close physical proximity to the Exchange's trading and execution system. ⁵ The Exchange proposes to establish procedures and waive certain fees in connection with the Exchange's re-location of Users' equipment in the Exchange's Data Center, operative beginning November 1, 2015. ⁶

The Data Center opened in 2010, and at that time, the Exchange represented that it offers co-location space based on availability and that it had sufficient space in the Data Center to accommodate demand on an equitable basis for the foreseeable future. ⁷ The Exchange continues to believe that there is sufficient space in the Data Center to accommodate demand. However, much of the space available now is available in smaller segments, resulting from an increasing number of Users, multiple moves within the Data Center, and changes to Users' space requirements—both increases and decreases—since 2010. At this time, the Exchange has determined that, in order to continue to be able to meet its obligation to accommodate demand, and in particular to make available more contiguous, larger spaces for new and existing Users, the Exchange must exercise its right to

move some Users' equipment within the Data Center (the "Migration").

The Exchange proposes to put the following procedures in place to manage the process for the Migration.

First, the Exchange would identify Users that would be required to move in the Migration based on (a) the current location of the User and its current equipment and power requirements and (b) the availability of another location in the Data Center that would accommodate the equipment and power requirements for which such User currently subscribes. No User would be required to move more than once within any 12-month period.

Second, the Exchange would notify a User in writing (the "Notice") that the User's equipment and network connections in the Data Center are to be moved as part of the Migration. The Notice would identify the 90-day period during which the User must move its equipment, which period would commence at least 60 days from the date of the Notice. The exact date or dates for the move for each User would be agreed upon between the User and the Exchange. If a move date or dates cannot be agreed on, the Exchange would schedule the move for a date or dates no later than 180 days after the date of the Notice.

Third, each User's move would be facilitated by the Exchange in cooperation with the User, including the un-racking and re-racking of all of the User's equipment, and the re-installation of the User's networking connections, and the Exchange would make reasonable efforts to ensure that the moves take place outside of the Exchange's hours for business. ⁸

Fourth, in connection with facilitating each User's move, the Exchange proposes to waive certain fees. Specifically, the Exchange proposes to waive the monthly recurring fees incurred in connection with the User's new space for the month during which the User's move commences. This waiver of the monthly recurring fees would mean that the User would not incur these fees for the period of overlapping use of the equipment and services in the old and the new locations, as long as the move is completed within one month.

In addition, the Exchange proposes to waive all service-related charges that the User would incur if such a move were to take place at a User's request with respect to the User's existing services and equipment. The service-related charges to be waived would be: (a) The

⁴ The Exchange initially filed rule changes relating to its co-location services with the Securities and Exchange Commission ("Commission") in 2010. See Securities Exchange Act Release No. 63275 (November 8, 2010), 75 FR 70048 (November 16, 2010) (SR-NYSEARCA-2010-100) ("2010 Release").

⁵ See *id.* at 70049.

⁶ As specified in the NYSE Arca Equities Schedule of Fees and Charges for Exchange Services and the NYSE Arca Options Fee Schedule, a User that incurs co-location fees for a particular co-location service pursuant thereto would not be subject to co-location fees for the same co-location service charged by the Exchange's affiliates NYSE MKT LLC and New York Stock Exchange LLC. See Securities Exchange Act Release No. 70173 (August 13, 2013), 78 FR 50459 (August 19, 2013) (SR-NYSEARCA-2013-80). The Exchange's affiliates have also submitted substantially the same proposed rule change to propose the changes described herein. See SR-NYSE-2015-42 and SR-NYSEMKT-2015-70.

⁷ See *supra* note 4 at 70049.

⁸ See NYSE Arca Equities Rule 1.1(j) and NYSE Arca Options Rule 6.1A(a)(3).

¹¹ 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.