

of the Third Cause of Action that allege violations of 39 U.S.C. 403(a) and (b), which shall be dismissed.

3. Pursuant to 39 CFR 3010.106, the Commission appoints Joseph K. Press as presiding officer in this proceeding.

4. Counts II and IV—pertaining to whether the Postal Service has violated its own regulations—shall be held in abeyance pending a decision by the D.C. Circuit regarding Commission jurisdiction over 39 U.S.C. 401(2) claims.

5. The Secretary shall arrange for publication of this Order, or abstract thereof, in the **Federal Register**.

By the Commission.

Jennie L. Jbara,

Primary Certifying Official.

[FR Doc. 2025-07922 Filed 5-6-25; 8:45 am]

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POSTAL REGULATORY COMMISSION

[Docket Nos. K2025-965; MC2025-1344 and K2025-1344]

New Postal Products

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: The Commission is noticing a recent Postal Service filing for the Commission's consideration concerning a negotiated service agreement. This notice informs the public of the filing, invites public comment, and takes other administrative steps.

DATES: *Comments are due:* May 9, 2025.

ADDRESSES: Submit comments electronically via the Commission's Filing Online system at <https://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:

Table of Contents

- I. Introduction
- II. Public Proceeding(s)
- III. Summary Proceeding(s)

I. Introduction

Pursuant to 39 CFR 3041.405, the Commission gives notice that the Postal Service filed request(s) for the Commission to consider matters related to Competitive negotiated service agreement(s). The request(s) may propose the addition of a negotiated service agreement from the Competitive

product list or the modification of an existing product currently appearing on the Competitive product list.

The public portions of the Postal Service's request(s) can be accessed via the Commission's website (<https://www.prc.gov>). Non-public portions of the Postal Service's request(s), if any, can be accessed through compliance with the requirements of 39 CFR 3011.301.¹

Section II identifies the docket number(s) associated with each Postal Service request, if any, that will be reviewed in a public proceeding as defined by 39 CFR 3010.101(p), the title of each such request, the request's acceptance date, and the authority cited by the Postal Service for each request. For each such request, the Commission appoints an officer of the Commission to represent the interests of the general public in the proceeding, pursuant to 39 U.S.C. 505 and 39 CFR 3000.114 (Public Representative). The Public Representative does not represent any individual person, entity or particular point of view, and, when Commission attorneys are appointed, no attorney-client relationship is established. Section II also establishes comment deadline(s) pertaining to each such request.

The Commission invites comments on whether the Postal Service's request(s) identified in Section II, if any, are consistent with the policies of title 39. Applicable statutory and regulatory requirements include 39 U.S.C. 3632, 39 U.S.C. 3633, 39 U.S.C. 3642, 39 CFR part 3035, and 39 CFR part 3041. Comment deadline(s) for each such request, if any, appear in Section II.

Section III identifies the docket number(s) associated with each Postal Service request, if any, to add a standardized distinct product to the Competitive product list or to amend a standardized distinct product, the title of each such request, the request's acceptance date, and the authority cited by the Postal Service for each request. Standardized distinct products are negotiated service agreements that are variations of one or more Competitive products, and for which financial models, minimum rates, and classification criteria have undergone advance Commission review. *See* 39 CFR 3041.110(n); 39 CFR 3041.205(a). Such requests are reviewed in summary proceedings pursuant to 39 CFR 3041.325(c)(2) and 39 CFR 3041.505(f)(1). Pursuant to 39 CFR

¹ *See* Docket No. RM2018-3, Order Adopting Final Rules Relating to Non-Public Information, June 27, 2018, Attachment A at 19-22 (Order No. 4679).

3041.405(c)-(d), the Commission does not appoint a Public Representative or request public comment in proceedings to review such requests.

II. Public Proceeding(s)

1. *Docket No(s).*: K2025-965; *Filing Title:* USPS Request Concerning Amendment One to Priority Mail Express, Priority Mail & USPS Ground Advantage Contract 1178 and Material Under Seal; *Filing Acceptance Date:* May 1, 2025; *Filing Authority:* 39 CFR 3035.105 and 39 CFR 3041.505; *Public Representative:* Maxine Bradley; *Comments Due:* May 9, 2025.

2. *Docket No(s).*: MC2025-1344 and K2025-1344; *Filing Title:* USPS Request to Add Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 68 to Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date:* May 1, 2025; *Filing Authority:* 39 U.S.C. 3642, 39 CFR 3035.105, and 39 CFR 3041.310; *Public Representative:* Maxine Bradley; *Comments Due:* May 9, 2025.

III. Summary Proceeding(s)

None. *See* Section II for public proceedings.

This Notice will be published in the **Federal Register**.

Jennie L. Jbara,

Primary Certifying Official.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-102964; File No. SR-IEX-2025-06]

Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend IEX's Fee Schedule To Establish a Supplemental Market Quality Program

May 1, 2025.

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 April 28, 2025, the Investors Exchange LLC ("IEX" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

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

Pursuant to the provisions of Section 19(b)(1) under the Act,⁴ and Rule 19b-4 thereunder,⁵ the Exchange is filing with the Commission a proposed rule change to amend the Exchange's fee schedule applicable to Members⁶ (the "Fee Schedule"⁷) pursuant to IEX Rule 15.110(a) and (c) to establish an Supplemental Market Quality Program, which is designed to improve displayed liquidity and promote order flow to the Exchange by offering a financial incentive for Members to enter displayed orders or quotes priced at the NBBO on the Exchange in certain securities designated by the Exchange. Changes to the Fee Schedule pursuant to this proposal are effective upon filing,⁸ and will be operative on May 1, 2025.

The text of the proposed rule change is available at the Exchange's website at <https://www.iexexchange.io/resources/regulation/rule-filings>, 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 these statements may be examined at the places specified in Item IV below. The self-regulatory organization 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to modify its Fee Schedule, pursuant to IEX Rule 15.110(a) and (c), to establish a Supplemental Market Quality Program

("SMQ" or the "Program"). The Program is intended to increase displayed liquidity and promote order flow to the Exchange by offering a financial incentive for Members to enter displayed orders or quotes (*i.e.*, displayed trading interest) priced at the NBBO⁹ on the Exchange in certain securities designated by the Exchange. As discussed below, the SMQ is designed to reward Members that make a significant contribution to market quality by providing liquidity at the NBBO in a select group of securities for a significant portion of the day.

The Program is designed to incentivize the posting of displayed trading interest in securities that IEX determines have a relatively lower volume of displayed trading interest priced at the NBBO on the Exchange compared to other securities. By analyzing displayed order volume and time at the NBBO data, the Exchange has identified certain securities for which it seeks to improve these metrics (the "SMQ Securities") through incentive payments.

IEX will publish the list of SMQ Securities on its website (on the Fee Schedule), and prior to the start of each month, the Exchange will reevaluate and, as applicable, update its list of SMQ Securities. Any updates to the list of SMQ Securities will be published on IEX's Fee Schedule at least one day prior to the start of the month. IEX believes that the incentives created by the SMQ are likely to increase quoting in these symbols, thereby providing improved trading conditions for all market participants through narrower spreads and increased depth of liquidity available at the NBBO in the SMQ Securities.

To qualify for the SMQ, a Member must enter displayed trading interest (*i.e.*, at least one displayed order or quote of at least one round lot size¹⁰) at either the NBB, the NBO, or the NBBO, for at least 40% of time during regular trading hours in at least 50 of the SMQ Securities on average per day during the month (the "Percent Time at NBBO" requirement). On a daily basis, the Exchange will calculate the number of SMQ Securities for which each Member's Percent Time at NBBO was at least 40% ("SMQ Qualifying Activity"). At the end of the month, the Exchange will calculate the monthly average of the Member's SMQ Qualifying Activity. If a Member has SMQ Qualifying Activity in at least 50 of the SMQ Securities during the month, the Exchange will pay the Member the

"SMQ Incentive Fee" of \$125 per SMQ Security for which the Member satisfied the SMQ requirements.¹¹

The following example illustrates how the SMQ will work:

Example

Assume that in a particular month, IEX has designated 150 securities as SMQ Securities. There are 21 trading days in that month, and on eleven of those days Member A's Percent Time at NBBO is at least 40% for 100 of the SMQ securities. On the other ten trading days, Member A's Percent Time at NBBO is at least 40% for 50 of the SMQ securities. At the end of the month, IEX calculates the number of SMQ Securities which Member A has at least 40 Percent Time at NBBO to be 76¹² SMQ Securities. IEX provides a lump sum payment of \$9,500 to Member A (\$125 times 76 SMQ Securities) (the "SMQ Payment"). In that same month, Member B's monthly average Percent Time at NBBO is at least 40% for 60 SMQ Securities for eleven trading days. On the other ten trading days, Member B's Percent Time at NBBO is at least 40% for 30 SMQ Securities. At the end of the month, IEX calculates Member B's SMQ Qualifying Activity to average out to 46 SMQ Securities.¹³ Because Member B's SMQ Qualifying Activity was in less than 50 SMQ Securities, Member B does not receive any lump sum payment pursuant to the Program.

As proposed, the Percent Time at NBBO calculation will exclude days with system disruptions that last for more than 60 minutes and days with scheduled early closes when determining the numerator and the denominator. An Exchange system disruption may occur, for example, where a certain group of securities traded on the Exchange is unavailable for trading due to an Exchange system issue. Similarly, the Exchange may be able to perform certain functions with respect to accepting and processing orders, but may have a failure to another significant process, such as routing to other market centers, that would lead Members that rely on such process to avoid utilizing the Exchange until the Exchange's entire system was operational. The Exchange believes that these types of Exchange system

¹¹ SMQ Payments will be made for all qualified securities if Member had SMQ Qualifying Activity in at least 50 SMQ Securities during the month.

¹² As set forth in the proposed changes to the Fee Schedule, the Exchange will calculate the SMQ Qualifying Activity by taking the average of the number of SMQ Securities for which the Member's Percent Time at NBBO was at least 40% and round that number to the nearest whole number. Thus, 76.19 SMQ Securities is rounded to 76.

¹³ 45.71 is rounded to 46.

⁴ 15 U.S.C. 78s(b)(1).

⁵ 17 CFR 240.19b-4.

⁶ See IEX Rule 1.160(s).

⁷ See Investors Exchange Fee Schedule, available at <https://www.iexexchange.io/resources/trading/fee-schedule>.

⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

⁹ See IEX Rule 1.160(u).

¹⁰ See IEX Rule 11.180(a).

disruptions could preclude Members from participating on the Exchange to the extent that they might have otherwise participated on such days, and thus, the Exchange believes it is appropriate to exclude such days when determining a Member's Percent Time at NBBO to avoid penalizing Members that might otherwise have met the SMQ requirements. For similar reasons, the Exchange believes it is appropriate to exclude trading days with scheduled early closes, because the shorter trading days are likely to result in a lower daily quoting activity for each Member. The Exchange notes that excluding system disruption days and trading days with scheduled early closes is consistent with the methodologies used by other exchanges that offer incentive payments for quoting activity on the Exchange.¹⁴

Additionally, as proposed, the Exchange will exclude from its calculations of Percent Time at NBBO for each SMQ Security any portion of regular trading hours when the SMQ Security is subject to a trading halt or Limit Up-Limit Down pause.¹⁵ If an SMQ Security were subject to a trading halt on IEX, Members would be unable to provide displayed trading interest in that security until it resumes trading, and thus not excluding the halted time from the Percent Time at NBBO would be unfair to Members trying to provide displayed trading interest in the SMQ Security. Thus, IEX proposes only to calculate the Percentage Time at NBBO for each SMQ Security during times when trading in the security is not halted. For example, if an SMQ Security was halted for 30 minutes during one trading day, and a Member provided displayed trading interest in that security at the NBBO for 2.4 hours of that trading day, the Member's Percent Time at NBBO for that day would be 40%, because 2.4 hours is 40% of 6 hours.¹⁶

The Exchange will allow Members to aggregate their Percent Time at NBBO with other Members with which they are affiliated,¹⁷ if Members provide prior notice to the Exchange. As proposed, to the extent that two or more affiliated companies maintain separate

memberships with the Exchange and can demonstrate their affiliation by showing they control, are controlled by, or are under common control with each other, the Exchange would permit such Members to aggregate their Percent Time at NBBO. Members will be responsible for having proper internal documentation in their books and records substantiating that the two or more Members seeking to aggregate their Percent Time at NBBO are affiliates of one another. IEX notes that this grouping of Member affiliates is consistent with how IEX allows Member affiliates to group their trading activity to qualify for IEX's Displayed Liquidity Adding Rebate Tiers.

The SMQ will be open to all Members and will not impose any two-sided quotation obligations on any Member seeking to qualify for the SMQ. Accordingly, the SMQ is designed to attract liquidity from any firm that is willing to provide liquidity at the NBB or NBO in SMQ Securities. The Exchange is proposing to provide Members an opportunity to earn an SMQ Payment as a means of recognizing the value of market participants that consistently enter displayed trading interest at the NBBO in the SMQ Securities. Through the Program, the Exchange seeks to provide enhanced liquidity for all market participants through more displayed trading interest, narrower bid-ask spreads, and increased depth of liquidity in the SMQ Securities.

The Exchange notes that the proposed Supplemental Market Quality Program is similar to the Enhanced Market Quality Program offered by Nasdaq BX,¹⁸ which also pays a fixed sum to Members that quote exchange-specified securities at the NBBO for at least a minimum percentage time of the day.¹⁹ The proposed SMQ is also similar to the "Market Quality" program offered by MIAx PEARL.²⁰ In particular, the process by which the Exchange

proposes to select SMQ Securities mirrors the process applied by MIAx PEARL in selecting securities to be "Market Quality Securities."²¹ Finally, the Exchange notes that its proposed SMQ is also similar to recently discontinued quote revenue sharing program of Nasdaq PSX.²²

2. Statutory Basis

IEX believes that the proposed rule change is consistent with the provisions of Section 6(b)²³ of the Act in general, and furthers the objectives of Sections 6(b)(4)²⁴ of the Act, in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. The Exchange believes that the proposed fee change is reasonable, fair and equitable, and non-discriminatory.

The Exchange operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. IEX has concluded that, in the context of current regulatory requirements governing access fees and rebates, it is able to more effectively compete with other exchanges for order flow by offering Members an additional incentive for posting displayed liquidity on the Exchange in symbols that have a relatively lower volume of displayed orders priced at the NBBO on the Exchange compared to other securities. Based upon informal discussions with market participants, IEX believes that Members and other market participants may be more willing to send displayed trading interest to IEX if the proposed fee change is adopted.

Accordingly, IEX has designed the proposed change to further incentivize Members to send displayed quotes at the NBBO in lower displayed volume symbols. IEX believes that an increase in displayed liquidity and order flow to the Exchange will, in turn, improve the quality of the IEX market and increase its attractiveness to existing and prospective participants. In addition,

²¹ MIAx PEARL uses the same methodology of analyzing volume statistics and time at the NBBO to determine which securities to include in its list of Market Quality Securities. See *supra* note 14.

²² See Securities Exchange Act Release No. 34-100060 (May 3, 2024), 89 FR 39668 (May 9, 2024) (SR-Phlx-2024-18) (Establishing the quote revenue sharing program) and Securities Exchange Act Release No. 34-102844 (April 11, 2025), 90 FR 16226 (April 17, 2025) (SR-Phlx-2025-19) (terminating the program because it "no longer provides a growth incentive that is aligned with the Exchange's needs").

²³ 15 U.S.C. 78f.

²⁴ 15 U.S.C. 78f(b)(4).

¹⁴ See Securities Exchange Act Release No. 94929 (May 17, 2022), 87 FR 31269 (May 23, 2022) (SR-PEARL-2022-21) (filing establishing a Market Quality program similar to this proposal).

¹⁵ See, e.g., IEX Rules 11.271 and 11.280.

¹⁶ If IEX did not exclude the time a security is halted from its calculation of Percent Time at NBBO, in this example the Member's Percent Time at NBBO would be 37% (2.4 hours divided by the full 6.5 hour trading day), and the Member's trading activity in that security for that day would not count towards its SMQ Qualifying Activity.

¹⁷ As defined in Rule 12b-2 under the Act, 17 CFR 240.12b-2.

¹⁸ See Nasdaq BX Equities VII Section 118(g).

¹⁹ Nasdaq BX's Enhanced Market Quality Program ("EMQP") sets different percentage thresholds depending upon if the security is quoted on Tape A or B (and does not Tape C securities). The EMQP also increases its incentive fees based upon the number of securities quoted at the NBBO for at least the threshold percentage of market hours. *Id.* These differences between the proposed SMQ and the EMQP reflect different pricing approaches of different exchanges, but the core functionality of the two programs is substantially similar.

²⁰ See *supra* note 14. While MIAx PEARL uses quoting at the NBBO in the "Market Quality Securities" as a means of qualifying for certain rebate tiers (and not to pay a flat sum to qualifying Members like IEX proposes), the Market Quality program is like IEX's proposed SMQ in that it provides financial incentives to Members based upon increased quoting in a subset of securities specified by the exchange. *Id.*

the proposal is equitable and not unfairly discriminatory as the proposal would equitably allocate SMQ Payments among Members by paying Members based on their total quoting activity in SMQ Securities in any given month.

As noted in the Purpose section, the Exchange believes the proposed incentive payments in the Supplemental Market Quality Program will incentivize Members to direct additional displayed liquidity-providing orders to the Exchange in SMQ Securities, thereby promoting price discovery and market quality in the SMQ Securities and more generally on the Exchange, and, further, that the resulting increased displayed liquidity and narrower spreads will benefit all investors by deepening the Exchange's liquidity pool, supporting the quality of price discovery, enhancing quoting competition across all exchanges, and promoting market transparency.

As discussed above, the Exchange operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. Within that context, the proposed incentive payments are designed to attract more displayed trading interest to the Exchange. The proposed SMQ is comparable to the MQ Tiers of MIAX PEARL and the Enhanced Market Quality Program of Nasdaq BX, and thus IEX does not believe that the proposal raises any new or novel issues not already considered by the Commission in the context of other exchanges' fees.²⁵

Finally, to the extent this proposed fee change is successful in incentivizing the entry and execution of displayed trading interest on IEX, such greater liquidity will benefit all market participants by increasing price discovery and price formation as well as market quality and execution opportunities.

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

IEX does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange operates in a highly competitive market in which market participants can readily favor competing venues if fee schedules at other venues

are viewed as more favorable. Consequently, the Exchange believes that the degree to which IEX fees could impose any burden on competition is extremely limited and does not believe that such fees would burden competition between Members or competing venues. Moreover, as noted in the Statutory Basis section, the Exchange does not believe that the proposed changes raise any new or novel issues not already considered by the Commission.

The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because, while different Members may qualify for different amounts of SMQ Payments, these payments are not based on the type of Member entering the displayed trading interest, but rather on the amount of displayed trading interest each Member submits to the Exchange. Further, the proposed fee changes are intended to incentivize market participants to bring increased order flow to the Exchange, which benefits all market participants.

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

Written comments were neither solicited nor received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act²⁶ and paragraph (f) of Rule 19b-4²⁷ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act.

Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-IEX-2025-06 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 number SR-IEX-2025-06. 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 website (<https://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 website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-IEX-2025-06 and should be submitted on or before May 28, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁸

Sherry R. Haywood,

Assistant Secretary.

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²⁵ See *supra* notes 14 and 18.

²⁶ 15 U.S.C. 78s(b)(3)(A).

²⁷ 17 CFR 240.19b-4(f).

²⁸ 17 CFR 200.30-3(a)(12).