

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁶

Kevin M. O'Neill,
Deputy Secretary.

[FR Doc. 2012-2396 Filed 2-2-12; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-66276; File No. SR-FINRA-2011-071]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Order Granting Approval of a Proposed Rule Change To Increase the Trading Activity Fee Rate for Transactions in Covered Equity Securities

January 30, 2012.

I. Introduction

On December 14, 2011, the Financial Industry Regulatory Authority, Inc. ("FINRA") 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 a proposed rule change to increase FINRA's Trading Activity Fee ("TAF") rate for transactions in covered equity securities. The proposed rule change was published for comment in the *Federal Register* on December 30, 2011.³ The Commission received no comments on the proposal. This order approves the proposed rule change.

II. Description of the Proposal

FINRA's proposal would amend Section 1 of Schedule A to the FINRA By-Laws to adjust the rate of FINRA's TAF for transactions in Covered Securities that are equity securities.⁴ The rules governing the TAF also include a list of exempt transactions.⁵ The TAF, along with the Personnel Assessment and the Gross Income Assessment fees, are used to fund FINRA's regulatory activities.⁶

The current TAF rate is \$0.000090 per share for each sale of a covered equity

security, with a maximum charge of \$4.50 per trade.⁷ In the Notice, FINRA stated that over 95% of TAF revenue is generated by transactions in Covered Securities that are equity securities. Thus, FINRA's revenue from the TAF is substantially affected by changes in trading volume in the equities markets. According to FINRA, since it previously increased the TAF in July 2011, there was a momentary spike in equity securities trading volume in the month of August followed by a general decline in volumes heading into the fourth quarter of 2011. FINRA states that, as a result of declining volume, it is necessary to adjust the TAF rate for 2012 to "stabilize revenue flows necessary to support FINRA's regulatory mission."⁸ Under the proposal, FINRA's TAF rate for Covered Securities that are equity securities would increase by \$0.000005 per share, from \$0.000090 per share to \$0.000095 per share, while the per-transaction cap for Covered Securities that are equity securities would increase by \$0.25, from \$4.50 to \$4.75. FINRA stated that increasing the TAF rate on these securities by \$0.000005 per share is the minimum increase necessary to bring the revenue from the TAF to its needed levels to adequately fund FINRA's member regulatory obligations and that it intends the proposed increase to remain revenue neutral, as it did previously when it adjusted the TAF rate.⁹

FINRA stated that it intends to make the proposal effective on February 1, 2012.

III. Discussion and Commission's Findings

After carefully considering the proposed rule change, the Commission finds that it is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities association.¹⁰ In particular, the Commission finds that the proposal is consistent with Section 15A(b)(5) of the Act,¹¹ which requires, among other things, that FINRA rules provide for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility or system that FINRA operates or controls. The

Commission believes that the proposal is reasonably designed to secure adequate funding to support FINRA's regulatory duties.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹² that the proposed rule change (SR-FINRA-2011-071) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹³

Kevin M. O'Neill,
Deputy Secretary.

[FR Doc. 2012-2394 Filed 2-2-12; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

[License No. 07/07-0113]

C3 Capital Partners II, L.P.; Notice Seeking Exemption Under 312 of the Small Business Investment Act, Conflicts of Interest

Notice is hereby given that C3 Capital Partners II, L.P., 4520 Main Street, Suite 1600, Kansas City, Missouri 64111-7700, a Federal Licensee under the Small Business Investment Act of 1958, as amended ("the Act"), in connection with the financing of a small concern, has sought an exemption under section 312 of the Act and section 107.730, *Financings Which Constitute Conflicts of Interest of the Small Business Administration* ("SBA") rules and regulations (13 CFR 107.730 (2006)). C3 Capital Partners II, L.P., proposes to provide financing to Findett LLC, P.O. Box 0960, St. Charles, MO 63302-0960. The financing is contemplated to provide working capital.

The financing is brought within the purview of Sec. 107.730(a)(1) of the Regulations because C3 Capital Partners, L.P., an Associate of C3 Capital Partners II, L.P., currently owns greater than 10 percent of Findett LLC, and therefore, Findett LLC, is considered an Associate of C3 Capital Partners II as defined in Sec. 105.50 of the regulations.

Notice is hereby given that any interested person may submit written comments on the transaction, within 15 days, to the Associate Administrator for Investment, U.S. Small Business

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 66050 (December 23, 2011), 76 FR 82334 ("Notice").

⁴ Covered Securities are defined in Section 1 of Schedule A to the FINRA By-Laws as: Exchange-registered securities wherever executed (except debt securities that are not TRACE-Eligible Securities); OTC Equity Securities; security futures; TRACE-Eligible Securities (provided that the transaction is a Reportable TRACE Transaction); and all municipal securities subject to Municipal Securities Rulemaking Board reporting requirements.

⁵ See FINRA By-Laws, Schedule A, § 1(b)(2).

⁶ See FINRA By-Laws, Schedule A, § 1(a).

⁷ The current TAF rates were approved by the Commission on June 2, 2011. See Securities Exchange Act Release No. 64590 (June 2, 2011), 76 FR 33388 (June 8, 2011).

⁸ Notice, 76 FR at 82335.

⁹ See *id.*

¹⁰ In approving the proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹¹ 15 U.S.C. 78o-3(b)(5).

¹² 15 U.S.C. 78s(b)(2).

¹³ 17 CFR 200.30-3(a)(12).

Administration, 409 Third Street SW., Washington, DC 20416.

Sean J. Greene,

Associate Administrator for Innovation and Investment.

[FR Doc. 2012-2188 Filed 2-2-12; 8:45 am]

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DEPARTMENT OF STATE

[Public Notice 7785]

Department of State FY11 Service Contract Inventory

AGENCY: Department of State.

ACTION: Notice of the release of the Department of State FY11 Service Contract Inventory.

SUMMARY: The Department of State has publically released its Service Contract Inventory for FY11 and its analysis of the FY10 inventory. They are available here: <http://csm.state.gov/>. Section 743 of Division C of the FY 2010 Consolidated Appropriations Act, Public Law 111-117, requires Department of State, and other civilian agencies, to submit an annual inventory of service contracts. A service contract inventory is a tool to assess an agency in its ability to contract services in support of its mission and operation and whether the contractors' skills are being utilized in an appropriate manner.

DATES: The FY11 inventory and FY10 analysis is available on the Department's Web site as of Jan. 31, 2012.

FOR FURTHER INFORMATION CONTACT: Jason Passaro, Director, A/CSM, (703) 875-5114, passaroja@state.gov.

Dated: January 31, 2012.

Jason Passaro,

Director, A/CSM, Department of State.

[FR Doc. 2012-2467 Filed 2-2-12; 8:45 am]

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DEPARTMENT OF STATE

[Public Notice: 7786]

In the Matter of the Keystone XL Pipeline

This notice is to inform the public that the Department of State has denied the Application of TransCanada Keystone Pipeline, L.P. for a Presidential Permit Authorizing the Construction, Operation, and Maintenance of Pipeline Facilities for the Importation of Crude Oil to be located at the United States-Canada Border, received by the Department of State on September 19, 2008, as directed

by the Presidential Memorandum for the Secretary of State Implementing Provisions of the Temporary Payroll Tax Cut Continuation Act of 2011 Relating to the Keystone XL Pipeline Permit, dated January 18, 2012. The full text of the Presidential Memorandum is as follows:

Presidential Memorandum—Implementing Provisions of the Temporary Payroll Tax Cut Continuation Act of 2011 Relating to the Keystone XL Pipeline Permit

MEMORANDUM FOR THE SECRETARY OF STATE

SUBJECT: Implementing Provisions of the Temporary Payroll Tax Cut Continuation Act of 2011 Relating to the Keystone XL Pipeline Permit

The Temporary Payroll Tax Cut Continuation Act of 2011 requires a determination, within 60 days of enactment, of whether the Keystone XL pipeline project as set forth in the permit application filed on September 19, 2008 (including amendments) (the "Keystone XL pipeline project") would serve the national interest. The State Department had previously explained, on November 10, 2011, that it was seeking additional information concerning whether that project served the national interest, as necessary to grant the permit. Based on its experience and in order to consider relevant environmental issues and the consequences of the project on energy security, the economy, and foreign policy, the State Department indicated that its review could be complete as early as the first quarter of 2013.

I have determined, based upon your recommendation, including the State Department's view that 60 days is an insufficient period to obtain and assess the necessary information, that the Keystone XL pipeline project, as presented and analyzed at this time, would not serve the national interest.

Accordingly, by the authority vested in me as President by the Constitution and the laws of the United States including section 301 of title 3, United States Code, and in furtherance of Executive Order 13337 of April 30, 2004 to the extent compatible with this memorandum, I direct you to submit the report to the Congress as specified in section 501(b)(2) of the Temporary Payroll Tax Cut Continuation Act of 2011 and to issue a denial of the Keystone XL pipeline permit application.

This memorandum is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

You are hereby authorized and directed to publish this memorandum in the **Federal Register**.

BARACK OBAMA

Issued in Washington DC on February 1, 2012.

Dated: February 1, 2012.

George Sibley,

Director, Bureau of Oceans and International Environmental and Scientific Affairs/Office of Environmental Policy, U.S. Department of State.

[FR Doc. 2012-2615 Filed 2-2-12; 8:45 am]

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DEPARTMENT OF STATE

[Public Notice 7758]

Shipping Coordinating Committee; Notice of Committee Meeting

The Shipping Coordinating Committee (SHC) will conduct an open meeting at 9 a.m. on Wednesday, March 14, 2012, in Room 5-1224 of the United States Coast Guard Headquarters Building, 2100 Second Street SW., Washington, DC 20593-0001. The primary purpose of the meeting is to prepare for the twentieth Session of the International Maritime Organization's (IMO) Subcommittee on Flag State Implementation to be held at the IMO Headquarters, United Kingdom, March 26-30, 2012.

The primary matters to be considered include:

- Adoption of the agenda;
- Decisions of other IMO bodies;
- Responsibilities of Governments and measures to encourage flag State compliance;

- Mandatory reports under International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 (MARPOL 73/78);

- Casualty statistics and investigations;
- Harmonization of port State control activities;

- Port State Control (PSC) Guidelines on seafarers' hours of rest and PSC guidelines in relation to the Maritime Labour Convention, 2006;

- Development of guidelines on port State control under the 2004 Ballast Water Management (BWM) Convention;

- Comprehensive analysis of difficulties encountered in the implementation of IMO instruments;

- Review of the Survey Guidelines under the Harmonized System of Survey and Certification (HSSC) and the annexes to the Code for the Implementation of Mandatory IMO Instruments;

- Consideration of International Association of Classification Societies (IACS) unified interpretations;

- Review of the IMO Instruments Implementation Code;

- Development of a Code for Recognized Organizations;

- Measures to protect the safety of persons rescued at sea;