

**POSTAL SERVICE****International Product Change—Global Plus 1C and 2C Negotiated Service Agreements****AGENCY:** Postal Service™.**ACTION:** Notice.

**SUMMARY:** The Postal Service hereby gives notice of its filing a request with the Postal Regulatory Commission to add Global Plus 1C and 2C Negotiated Service Agreements to the Competitive Products List.

**DATES:** January 18, 2012.**FOR FURTHER INFORMATION CONTACT:** Margaret M. Falwell, (202) 268–2576.

**SUPPLEMENTARY INFORMATION:** The United States Postal Service® hereby gives notice that, pursuant to 39 U.S.C. 3642, on December 30, 2011, and January 4, 2012, it filed with the Postal Regulatory Commission, Requests of United States Postal Service to Add Global Plus 1C and 2C Negotiated Service Agreements to the Competitive Products List, and Notices of Filing Two Functionally Equivalent Agreements and Applications for Non-Public Treatment of Materials Filed Under Seal for each filing. Documents are available at <http://www.prc.gov>, Docket Nos. MC2012–5, MC2012–6, CP2012–10, CP2012–11, CP2012–12 and CP2012–13.

**B. J. Meadows III,***Attorney, Legal Strategy.*

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**BILLING CODE 7710–12–P****SECURITIES AND EXCHANGE COMMISSION****Submission for OMB Review; Comment Request**

*Upon Written Request, Copies Available From:* Securities and Exchange Commission, Office of Investor Education and Advocacy, Washington, DC 20549–0213.

**Extension:**

Rule 22c–2; SEC File No. 270–541; OMB Control No. 3235–0620.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) the Securities and Exchange Commission (the “Commission”) has submitted to the Office of Management and Budget a request for extension of the previously approved collection of information discussed below.

Rule 22c–2 (17 CFR 270.22c–2 “Mutual Fund Redemption Fees”) under the Investment Company Act of 1940 (15 U.S.C. 80a) (the “Investment

Company Act” or “Act”) requires the board of directors (including a majority of independent directors) of most registered investment companies (“funds”) to either approve a redemption fee of up to two percent or determine that imposition of a redemption fee is not necessary or appropriate for the fund. Rule 22c–2 also requires a fund to enter into written agreements with their financial intermediaries (such as broker-dealers and retirement plan administrators) under which the fund, upon request, can obtain certain shareholder identity and trading information from the intermediaries. The written agreement must also allow the fund to direct the intermediary to prohibit further purchases or exchanges by specific shareholders that the fund has identified as being engaged in transactions that violate the fund’s market timing policies. These requirements enable funds to obtain the information that they need to monitor the frequency of short-term trading in omnibus accounts and enforce their market timing policies.

The rule includes three “collections of information” within the meaning of the Paperwork Reduction Act of 1995 (“PRA”).<sup>1</sup> First, the rule requires boards to either approve a redemption fee of up to two percent or determine that imposition of a redemption fee is not necessary or appropriate for the fund. Second, funds must enter into information sharing agreements with all of their “financial intermediaries”<sup>2</sup> and maintain a copy of the written information sharing agreement with each intermediary in an easily accessible place for six years. Third, pursuant to the information sharing agreements, funds must have systems that enable them to request frequent trading information upon demand from their intermediaries, and to enforce any restrictions on trading required by funds under the rule.

<sup>1</sup> 44 U.S.C. 3501–3520.

<sup>2</sup> The rule defines a Financial Intermediary as: (i) Any broker, dealer, bank, or other person that holds securities issued by the fund in nominee name; (ii) a unit investment trust or fund that invests in the fund in reliance on section 12(d)(1)(E) of the Act; and (iii) in the case of a participant directed employee benefit plan that owns the securities issued by the fund, a retirement plan’s administrator under section 316(A) of the Employee Retirement Security Act of 1974 (29 U.S.C. 1002(16)(A)) or any person that maintains the plans’ participant records. Financial Intermediary does not include any person that the fund treats as an individual investor with respect to the fund’s policies established for the purpose of eliminating or reducing any dilution of the value of the outstanding securities issued by the fund. Rule 22c–2(c)(1).

The collections of information created by Rule 22c–2 are necessary for funds to effectively assess redemption fees, enforce their policies in frequent trading, and monitor short-term trading, including market timing, in omnibus accounts. These collections of information are mandatory for funds that redeem shares within seven days of purchase. The collections of information also are necessary to allow Commission staff to fulfill its examination and oversight responsibilities.

Rule 22c–2(a)(1) requires the board of directors of all registered investment companies and series thereof (except for money market funds, ETFs, or funds that affirmatively permit short-term trading of its securities) to approve a redemption fee for the fund, or instead make a determination that a redemption fee is either not necessary or appropriate for the fund. Commission staff understands that the boards of all funds currently in operation have undertaken this process for the funds they currently oversee, and the rule does not require boards to review this determination periodically once it has been made. Accordingly, we expect that only boards of newly registered funds or newly created series thereof would undertake this determination. Commission staff estimates that approximately 117 funds or series thereof (excluding money market funds and ETFs) are newly formed each year and would need to make this determination.

Based on conversations with fund representatives,<sup>3</sup> Commission staff estimates that it takes approximately 2 hours of the boards’ time, as a whole, to approve a redemption fee or make the required determination. In addition, Commission staff estimates that it takes compliance personnel of the fund approximately 8 hours to prepare trading, compliance, and other information regarding the fund’s operations to enable the board to make its determination, and takes internal counsel of the fund approximately 3 hours to review this information and present its recommendations to the board. Therefore, for each fund board that undertakes this determination process, Commission staff estimates it expends approximately 13 hours.<sup>4</sup> As a result, Commission staff estimates that

<sup>3</sup> Unless otherwise stated, estimates throughout this analysis are derived from a survey of funds and conversations with fund representatives.

<sup>4</sup> This calculation is based on the following estimate: (2 hours of board time + 3 hours of internal counsel time + 8 hours of compliance time = 13 hours).