

contractor; the issuance, renewal, suspension, or revocation of an employee's or contractor's security clearance; the execution of a security or suitability investigation; the adjudication of liability; or coverage under FHFA–OIG's liability insurance policy.

(15) To the Council of the Inspectors General on Integrity and Efficiency and its committees, another federal Office of Inspector General, or other Federal law enforcement office in connection with an allegation of wrongdoing by the Inspector General or by designated FHFA–OIG staff members.

POLICIES AND PRACTICES FOR STORAGE OF RECORDS:

Records are maintained in electronic format. Electronic records are stored on FHFA–OIG's secure network, authorized cloud service providers, and authorized contractor networks located within the continental United States. Paper records are stored in locked offices, locked file rooms, and locked file cabinets or safes.

POLICIES AND PRACTICES FOR RETRIEVAL OF RECORDS:

Records will be retrieved primarily by an individual's name or business email address but may also be obtained by a search using any search term or filter.

POLICIES AND PRACTICES FOR RETENTION AND DISPOSAL OF RECORDS:

Records are retained and disposed of in accordance with FHFA's Comprehensive Record Schedule, Section 4 (N1–543–11–1, approved on 01/11/2013) and the FHFA–OIG File Plan.

ADMINISTRATIVE, TECHNICAL, AND PHYSICAL SAFEGUARDS:

Records are maintained in controlled access areas. Electronic records are protected by restricted access procedures, including user identifications and passwords. Only FHFA–OIG staff (and FHFA–OIG contractors assisting such staff) whose official duties require access are allowed to view, administer, and control these records. The System Owner controls access to this System and limits access in accordance with the above.

RECORD ACCESS PROCEDURES:

See "Notification Procedures" Below.

CONTESTING RECORD PROCEDURES:

See "Notification Procedures" Below.

NOTIFICATION PROCEDURES:

Individuals seeking notification of any records about themselves contained in this system should address their inquiry via email to privacy@fhfa.gov, or by mail to the Office of Inspector General, Federal Housing Finance Agency, 400 Seventh Street SW, 3rd Floor, Washington, DC 20219, or in accordance with the procedures set forth in 12 CFR part 1204. *Please note that all mail sent to FHFA–OIG via the U.S. Postal Service is routed through a national irradiation facility, a process that may delay delivery by approximately two weeks. For any time-sensitive correspondence, please plan accordingly.*

EXEMPTIONS PROMULGATED FOR THE SYSTEM:

None.

HISTORY:

None.

Mary B. Schaefer,

Acting Chief Counsel, Federal Housing Finance Agency, Office of Inspector General.

[FR Doc. 2024–24483 Filed 10–22–24; 8:45 am]

BILLING CODE 8070–01–P

FEDERAL MARITIME COMMISSION

[Docket No. 24–09]

Notice of Filing of Amended Complaint; TZ SSE Buyer, LLC, Complainant v. COSCO Shipping Lines Co., Ltd., Respondent

Served: October 17, 2024.

Notice is given that an amended complaint has been filed with the Federal Maritime Commission (the "Commission") by TZ SSE Buyer, LLC (the "Complainant") against COSCO Shipping Lines Co., Ltd. (the "Respondent"). Complainant states that the Commission has jurisdiction over the amended complaint pursuant to 46 U.S.C. 41301 through 41309 and personal jurisdiction over the Respondent as an ocean common carrier, as defined in 46 U.S.C. 40102(18), that has entered into a service contract, as defined in 46 U.S.C. 40102(21), with the original complainants.

Complainant is a Delaware limited liability company with a principal place of business in Toledo, Ohio. Impact Products, LLC and Safety Zone, LLC (the "original complainants") filed the verified complaint in this proceeding on February 7, 2024, and subsequently filed for Chapter 11 bankruptcy and sold the claims asserted in this proceeding to Complainant. The original complainants are shippers as this term is defined under 46 U.S.C. 40102(23) with offices in Ohio, Tennessee, and Connecticut, among other locations.

Complainant identifies Respondent as a company organized under the laws of

China with its United States office located in Secaucus, New Jersey and as a global ocean carrier.

Complainant alleges that Respondent violated 46 U.S.C. 41102(c) and 41104(a)(10) and 46 CFR 545.5. Complainant alleges these violations arose from assessment of demurrage, detention, per diem, and yard storage charges during periods of time in which the charges were not just or reasonable because of circumstances outside the control of the original complainants and their agents and service providers, and from the acts or omissions of the Respondent that led to the assessment of these charges.

An answer to the amended complaint must be filed with the Commission as provided in Administrative Law Judge Alex M. Chintella's October 16, 2024, Order Granting Motion for Leave to File Second Amended Complaint. The full text of the amended complaint and this order can be found in the Commission's electronic Reading Room at <https://www2.fmc.gov/readingroom/proceeding/24-09/>.

The initial decision of the presiding judge shall be issued by February 14, 2025, and the final decision of the Commission shall be issued by August 29, 2025.

David Eng,
Secretary.

[FR Doc. 2024–24534 Filed 10–22–24; 8:45 am]

BILLING CODE 6730–02–P

FEDERAL TRADE COMMISSION

[File No. P222100]

Horseracing Integrity and Safety Authority Assessment Methodology Rule Modification

AGENCY: Federal Trade Commission.

ACTION: Notice of Horseracing Integrity and Safety Authority (HISA) proposed rule modification; request for public comment.

SUMMARY: As required by the Horseracing Integrity and Safety Act of 2020, the Federal Trade Commission publishes a proposed modification of the Horseracing Integrity and Safety Authority's rules addressing horseracing in the United States. The proposed rule modification would amend the Rule 8500 Series, the Assessment Methodology Rule, which establishes a methodology for determining assessments described in the enabling statute. This document contains the Authority's proposed rule modification's text and explanation, and it seeks public comment on whether the

Commission should approve the proposed rule modification.

DATES: The Commission must approve or disapprove the proposed modification on or before December 23, 2024. If approved, the proposed rule modification would be effective 30 days following the date of the Commission's order approving the modification. Comments must be filed on or before November 6, 2024.

ADDRESSES: Interested parties may file a comment online or on paper by following the instructions in the Comment Submissions part of the **SUPPLEMENTARY INFORMATION** section below. Write "HISA Assessment Methodology Rule Modification" on your comment and file your comment online at <https://www.regulations.gov> by following the instructions on the web-based form. If you prefer to file your comment on paper, mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW, Mail Stop H-144 (Annex H), Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: Sarah Botha (202-326-2036), Attorney Advisor and Acting HISA Program Manager, Office of the Executive Director, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580.

SUPPLEMENTARY INFORMATION: The Horseracing Integrity and Safety Act of 2020¹ (the "Act") recognizes a self-regulatory nonprofit organization, the Horseracing Integrity and Safety Authority ("HISA" or the "Authority"), which is charged with developing proposed rules on a variety of subjects. Those proposed rules and later proposed rule modifications take effect only if approved by the Federal Trade Commission ("FTC" or the "Commission").² The proposed rules and rule modifications must be published in the **Federal Register** for public comment.³ Thereafter, the Commission has 60 days from the date of publication to approve or disapprove the proposed rule or rule modification.⁴

Pursuant to section 3053(a) of the Act and Commission Rule 1.142, notice is hereby given that, on October 4, 2024, the Authority filed with the Commission a proposed Assessment Methodology Rule modification and supporting documentation as described in Items I, II, III and IX below, which Items have been prepared by the

Authority. The Office of the Secretary of the Commission determined that the filing complied with the Commission's rule governing such submissions.⁵ The Commission is publishing this document to solicit comments on the proposed rule modification from interested persons.

I. Self-Regulatory Organization's Statement of the Background, Purpose of, and Statutory Basis for the Proposed Rule Modification

a. Background and Purpose

The Act recognizes that the establishment of a national set of uniform standards for racetrack safety and medication control will enhance the safety and integrity of horseracing. The Assessment Methodology Rule is established in the Rule 8500 Series, the "Assessment Methodology Rule."⁶ The Rule 8500 Series was published in the **Federal Register** on February 18, 2022,⁷ and subsequently approved by the Commission by Order dated April 1, 2022.⁸ The Authority filed a proposed rule modification to the Rule 8500 Series on October 20, 2022. The modification was published in the **Federal Register** on November 10, 2022,⁹ and approved by the Commission by Order dated January 9, 2023.¹⁰

The Authority now proposes modifications to several provisions in the Rule 8500 Series. The proposed rule modifications are described in detail in Item II of this document. As set forth below, the proposed modifications seek to eliminate consideration of the Projected Purses Paid from the current assessment equation and instead base assessments solely on Projected Starts. In addition, the proposed rule modifications establish by rule the equitable allocation among Covered Persons of the applicable fee per racing

start for the Assessment Calculation for each Racetrack. Finally, several modifications are proposed to clarify the language of several rules for greater precision.

The proposed modifications are consistent with the requirements of the Act in that they further the purpose of properly and equitably allocating the costs of the Authority's operations to the State racing commissions and/or Covered Persons involved with Covered Horseraces, as mandated by 15 U.S.C. 3052(f). The cost allocations ensure that the Authority is adequately funded and able to effectively implement and enforce the horseracing anti-doping and medication control program and the racetrack safety program, as required under the Act. Successful implementation of the Act and the two programs operates to ensure and enhance the safety, welfare and integrity of Covered Horses, Covered Persons, and Covered Horseraces. The proposed modifications have been crafted to address specific issues in the most precise manner possible, and no reasonable alternatives presented themselves for consideration.

The Act requires that the Authority provide to each State racing commission an estimated amount required from the State to "(I) to fund the State's proportionate share of the horseracing anti-doping and medication control program and the racetrack safety program for the next calendar year; and (II) to liquidate the State's proportionate share of any loan or funding shortfall in the current calendar year and any previous calendar year."¹¹ A State's proportionate share is to be based on "(aa) the annual budget of the Authority for the following calendar year, as approved by the Board; and (bb) the projected amount of covered racing starts for the year in each State."¹² The Act further instructs the Authority to "take into account other sources of Authority revenue" as part of this calculation.¹³

Any State racing commission may elect to remit fees directly to the Authority.¹⁴ If a State racing commission does not elect to remit fees pursuant to 15 U.S.C. 3052(f)(2), then the Authority is required to "not less frequently than monthly, calculate the applicable fee per racing start multiplied by the number of racing starts in the State during the preceding

¹ 15 U.S.C. 3051 through 3060.

² 15 U.S.C. 3053(b)(2).

³ 15 U.S.C. 3053(b)(1).

⁴ 15 U.S.C. 3053(c)(1).

⁵ 16 CFR 1.140 through 1.144; *see also* FTC, Procedures for Submission of Rules Under the Horseracing Integrity and Safety Act, 86 FR 54819 (Oct. 5, 2021).

⁶ The Assessment Methodology Rule is also referred to herein as the "Cost Methodology Rule" or "Rule 8500 Series."

⁷ *See* FTC, Notice of HISA Assessment Methodology Proposed Rule ("2022 Proposed Rule Notice"), 87 FR 9349 (Feb. 18, 2022).

⁸ FTC, Order Approving the Assessment Methodology Rule Proposed by the Horseracing Integrity and Safety Authority (Apr. 1, 2022), https://www.ftc.gov/system/files/ftc_gov/pdf/Order%20re%20HISA%20Assessment%20Methodology.pdf.

⁹ *See* FTC, Notice of HISA Assessment Methodology Proposed Rule Modification, 87 FR 67915 (Nov. 10, 2022).

¹⁰ FTC, Order Approving the Assessment Methodology Rule Modification Proposed by the Horseracing Integrity and Safety Authority (Jan. 9, 2023), https://www.ftc.gov/system/files/ftc_gov/pdf/order_re_hisa_assessment_methodology_modification_not_signed_002_0.pdf.

¹¹ 15 U.S.C. 3052(f)(1)(C)(i).

¹² 15 U.S.C. 3052(f)(1)(C)(ii).

¹³ *Id.*

¹⁴ 15 U.S.C. 3052(f)(2).

month.”¹⁵ This calculation is required to be allocated equitably “among covered persons involved with covered horseraces pursuant to such rules as the Authority may promulgate” and collected “according to such rules as the Authority may promulgate.”¹⁶

On September 18, 2024, HISA representatives shared a draft of the proposed rule modification with a number of interested stakeholders for input. Those interested stakeholders included: Racing Officials Accreditation Program; Racing Medication and Testing Consortium (Scientific Advisory Committee); National Thoroughbred Racing Association; The Jockey Club; The Jockeys’ Guild; Thoroughbred Racing Association; Thoroughbred Owners of California; California Horse Racing Board; National Horsemen’s Benevolent and Protective Association; Thoroughbred Owners and Breeders Association; Kentucky Thoroughbred Association; American Association of Equine Practitioners; American Veterinary Medical Association; Stronach Racing Group (2 thoroughbred racetracks); Churchill Downs (6 thoroughbred racetracks); Keeneland; Del Mar; Association of Racing Commissioners International; Kentucky Racing Commission; Maryland Racing Commission; Delaware Racing Commission; Ohio Racing Commission; Thoroughbred Horsemen’s Association; Thoroughbred Safety Coalition; New York Racing Association; Breeders’ Cup; and ROCO.

Additionally, on September 18, 2024, the rule modification proposal was made available to the public for review and comment on the HISA website at <https://www.hisau.org/>. Several comments were received from various stakeholders, which are outlined in Item III of this document. Attached to this document is Exhibit A, which includes copies of all comments received concerning the rule modification proposal.

With the review, input and ultimate approval of the Authority’s Board of Directors, the proposed rule modification to the Rule 8500 Series enhances the procedures for the Cost Methodology Rule promulgated by the Authority.

b. Statutory Basis

The Horseracing Integrity and Safety Act of 2020, 15 U.S.C. 3051 through 3060.

II. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Modification

Rule 8510, Definitions, sets forth defined terms for the Rule 8500 Series. The modification in Rule 8510(a) amends the definition of “Annual Covered Racing Starts” effective January 1, 2026. This change is discussed below in connection with the modification of Rule 8520(c)(2). The modification in Rule 8510(e) amends the definition of “Projected Purse Starts” to “Projected Purses Paid” and clarifies that the total amount of purses paid for Covered Horseraces includes all purse supplements included in the Equibase result chart.¹⁷ The underlying principle of the current assessment methodology is to focus on purses actually paid. It is of no consequence whether the purses paid consist of money from purse funds or from purse supplements. This modification simply reinforces the principle behind the current Cost Assessment Rule. The deletion in Rule 8520(a) deletes language that was operative only in 2022 and is now no longer necessary.

The addition set forth in Rule 8520(b) simply makes explicit the existing practice of calculating and distributing the estimated amount required from each State by Racetrack. Moreover, this new language corresponds to the new definition of “Annual Covered Racing Starts” effective January 1, 2026.

The proposed modifications in Rule 8520(c)(1) are not substantive. The proposed changes remove unnecessary language and correct subsection and definition references.

The proposed modifications in Rule 8520(c)(2) change the method of calculation for determining the amount of assessment owed from each State. Currently, the Cost Methodology Rule determines the assessment based on

¹⁷ The proposed modifications posted for public comment stated that the total amount of purses paid for Covered Horses shall include “all purse supplements of any kind.” A commentator raised the question of whether “including all purse supplements of any kind” was too broad. See Exhibit A, Comment from Christopher McErlean, PENN Entertainment, Inc. (“Penn”) (“Not all supplements are paid as part of the advertised purse at same time as payment of race purse is made, but are determined or calculated on amount of purse money earned and paid at a future date; such funds are not always disclosed or known by a Racetrack with no ability to track.”). This definition has been revised in response to this comment and now reads as follows: Projected Purses Paid means: (i) the total amount of purses paid for covered horseraces (including all purse supplements included in the Equibase result chart) in the previous twelve (12) months as reported by Equibase (not including the Breeders’ Cup World Championships Races), after taking into consideration alterations in purses paid for the relevant State(s) for the following calendar year.

Projected Starts and Projected Purses Paid. Under the proposed modification, beginning January 1, 2026, the Cost Methodology Rule will calculate the assessment solely based on Projected Starts. In a response to comments posted to the **Federal Register** in 2022 regarding the proposed rule establishing the methodology for determining assessments, the Authority committed to “review[ing] the Methodology Rule Proposal on an annual basis to ensure that the formula that forms the basis of the assessments is equitable and as a part of this review, the Authority will consider the comments that argue otherwise.” See March 14, 2022 letter to Secretary April J. Tabor (the “March 14, 2022 Letter”).¹⁸ Since making that commitment, the Authority has thoroughly reviewed and reconsidered the Cost Methodology Rule.

Although the current Cost Methodology Rule was the appropriate rule when the Act was implemented in 2022, the Authority has been regularly analyzing whether it continues to be the appropriate rule and now concludes that beginning January 1, 2026, the more appropriate and equitable approach is to base assessments on Projected Starts only. The Authority is now in a position to review the successful operation of its Racetrack Safety program for more than two years and its Anti-Doping and Medication Control (“ADMC”) program for over one year. Before the programs went into effect, the Authority anticipated:

that stakes races and graded stakes races will have higher testing costs and that horses that compete in such races will be subjected to more vigorous out-of-competition testing, which is an expensive element of a vigorous drug testing program. In addition, it is anticipated that drug disqualifications in stakes races will result in higher enforcement costs. Currently, much of the protracted and costly litigation in the states concerns drug positive disqualifications in stakes races. See e.g., *Kentucky Horse Racing Commission v. Motion*, 592 SW3d 739, 744 (Ky. App. 2019) (litigation over a drug positive in a 2015 stakes race did not conclude until the Kentucky Supreme Court denied discretionary review in 2020).

See March 14, 2022 Letter.

Actual experience with the implementation of the Act has shown these budgetary predictions did not come to fruition. Due to the automatic Disqualification of race results for any established Presence violation under ADMC Program Rules 3212 or 3312, and the inability to avoid this sanction (even

¹⁸ This letter is available on the docket for the 2022 Proposed Rule Notice at <https://www.regulations.gov/docket/FTC-2022-0014/document>.

¹⁵ 15 U.S.C. 3052(f)(3)(A).

¹⁶ 15 U.S.C. 3052(f)(3)(B), (f)(3)(C)(i).

if a Covered Person is found to have No Fault or Negligence under ADMC Program Rules 3224 or 3324 or No Significant Fault or Negligence under ADMC Program Rules 3225 or 3325), Covered Persons are less likely to litigate potential Program violations based solely on purse amounts. Instead, proceedings are more likely to occur based on the classification of the Prohibited Substance involved. Cases involving Banned Substances, which have a default sanction of a two-year period of Ineligibility, have a much greater chance of being litigated, regardless of the place in which the Covered Horse finished or the category of the race at issue. While the grade of the race is a consideration for the selection of Covered Horses for Out-of-Competition testing, it is only one factor. Such testing is also driven by risk assessment (as required by the ADMC Program Rules), which can include intelligence received about the Covered Horse or Covered Person, Testing history, and the movement of the Covered Horse. It should also be noted that laboratory analysis costs are not affected by the grade of the race at issue or whether the test is Post-Race or Out-of-Competition. Quite simply, the Authority's expenses after the initial implementation period have turned out to be closely correlated to starts and not to purse amounts or the grade of a race. Therefore, the Authority has determined that going forward the most appropriate and equitable approach is to base the assessments solely on Projected Starts, and the modifications in Rule 8520(c)(2) implement that approach.

It should also be noted that numerous stakeholders have initiated litigation against the Authority over the use of paid purses in the Cost Methodology Rule. In fact, many of these entities benefit from the use of purses in the assessment formula but nevertheless believe that actual starts should be the sole basis for calculating the assessments. For example, in a Federal action filed by various West Virginia and Louisiana governmental and horseracing entities, including the Louisiana and West Virginia racing commissions, the court ruled:

Because the FTC acknowledged that HISA's methodology includes "a metric that is not part of the Act's basis of calculation of fees—purses," this Court finds that Plaintiffs have shown a likelihood that the Assessment Methodology Rules are unlawful. While there is limited discretion given to HISA for determining funding, it cannot go outside the authority given to it in § 3052(f). By adding this additional metric, HISA went outside the bounds of the Act and its authority for calculations. Plaintiffs are likely

to succeed on the merits on their claim that the Assessment Methodology Rules exceeds HISA's statutory authority.

Louisiana v. Horseracing Integrity & Safety Auth. Inc., 617 F. Supp. 3d 478, 498 (W.D. La. 2022) (the "Louisiana Action").

After remand from the United States Court of Appeals for the 5th Circuit, the following entities filed an Amended Complaint in the Louisiana Action: the State of Louisiana, the Louisiana State Racing Commission, the Louisiana Horsemen's Benevolent and Protective Association 1993, Inc., Louisiana Thoroughbred Breeders Association, the State Of West Virginia, the West Virginia Racing Commission, the State Of Oklahoma, the Oklahoma Horse Racing Commission, the State of Nebraska, Nebraska Racing and Gaming Commission, the State Of Arkansas, the State Of Mississippi, Arizona Horsemen's Benevolent and Protective Association, Arkansas Horsemen's Benevolent and Protective Association, Illinois Horsemen's Benevolent and Protective Association, Iowa Horsemen's Benevolent and Protective Association, Indiana Horsemen's Benevolent and Protective Association, Kentucky Horsemen's Benevolent and Protective Association, Minnesota Horsemen's Benevolent and Protective Association, Nebraska Horsemen's Benevolent and Protective Association, Ohio Horsemen's Benevolent and Protective Association, Oklahoma Horsemen's Benevolent and Protective Association ("Oklahoma HBPA"),¹⁹ Pennsylvania Horsemen's Benevolent and Protective Association, Washington Horsemen's Benevolent and Protective Association, Charles Town [West Virginia] Horsemen's Benevolent and Protective Association, Tampa Bay Downs [Florida] Horsemen's Benevolent And Protective Association, Fonner Park [racetrack in Nebraska] and Horsemen's Park [racetrack in Nebraska]. The Amended Complaint seeks to have the Cost Methodology Rule vacated and enjoined because it includes purses in the assessment formula. The Amended Complaint states that purses cannot be utilized in the assessment formula and that the formula should be based on starts. Although the Authority believes its current Cost Methodology Rule is consistent with, and in accordance with the Act, the proposed modification will remove the threat and cost of litigation on this

issue. As is evident from the list of plaintiffs in the proffered Amended Complaint, many of the States that benefit from the purses paid portion of the assessment calculation reject this benefit as being inconsistent with the Act.

Proposed Rule 8520(e)(1) addresses the process for collecting the assessment if a State racing commission does not elect to remit fees pursuant to 15 U.S.C. 3052(f)(2) or has remitted a partial payment under Rule 8520(a). The changes contained in Rule 8520(e)(1) make explicit the current practice of calculating and distributing the estimated amount required from each State by Racetrack. The other modifications in Rule 8520(e)(1) clarify the formula that is used to calculate the applicable fee per racing start. And finally, a new subsection (v) is added to Rule 8520(e)(1). Subsection (v) states that underpayments, overpayments and past due amounts shall be equitably adjusted in the succeeding calendar year. This modification provides clear direction on the calculation of the applicable fee per racing start and specifies that underpayments, overpayments and past due amounts shall be adjusted in the succeeding calendar year.

Under current Rule 8520(e)(3), the Authority determines how the Assessment Calculation is allocated among Covered Persons. The proposed Rule 8520(e)(3) establishes the equitable allocation for the applicable fee per racing start for the Assessment Calculation for each Racetrack as follows: Racetrack: 50%; Owners: 43.50%; Trainers: 5.00%; and Jockeys: 1.50%.²⁰ In addition, the proposed rule permits the applicable horsemen's group to agree to pay the applicable starter fee for the owners, trainers and jockeys from the purse account or other sources²¹ and that such payments shall be deemed to be equitably allocated among the owners, trainers and jockeys.

The proposed Rule 8520(e)(3) also allows the horsemen's group and the Racetrack to mutually agree to the allocation of the applicable fee per racing start. And finally, the proposed

²⁰ Under the current rule, unless the Racetrack and the applicable horsemen's group agreed otherwise, the Authority established the equitable allocation for the applicable fee per racing start for the Assessment Calculation for each Racetrack 50% to the Racetrack and 50% to the horsemen. In most instances, the horsemen have agreed to pay their share out of the purse account. The proposed allocation of Owners: 43.50%; Trainers: 5.00%; and Jockeys: 1.50% is a reasonable estimation of the overall percentage amount Owners, Trainers and Jockeys receive out of the purse funds.

²¹ Penn noted that the phrase "other sources" should be added.

¹⁹ Officers and board members of the Oklahoma HBPA have filed a separate lawsuit in Federal court in Oklahoma claiming that the assessment formula should only utilize starts. See *Joe Offolter, et al. v. Horseracing Integrity and Safety Authority, Inc., et al.*, Case No. CIV-24-749-D (W.D. Okla.).

Rule 8520(e)(3) permits a Racetrack to voluntarily assume a larger percentage of the applicable fee per racing start than set forth in the rule. These modifications will establish by rule how the Assessment Calculation is allocated among Covered Persons. The remainder of the modifications memorialize current practices among the horsemen's groups and the racetracks.

It should be noted that the current Rule 8520(e)(3) is the subject of a court challenge. *See Kelly et al., v. Horseracing Integrity and Safety Authority et al.*, Civ. No. 4:24-cv-00264 (S.D. Iowa). Although the Authority believes it can successfully defend the litigation, it does not believe it is prudent to utilize resources to defend the current rule when the modified rule achieves the same result and eliminates the risk, cost, and expense of litigation.

The modifications in Rule 8520(f) remove the objection procedure for objecting to relevant Equibase numbers. The modified definition of Projected Purses Paid and the new parenthetical in Rule 8520(f) make clear that only purses paid to the racing participants are counted in the assessment formula. The critical attribute of the use of paid purses under the current assessment formula was to gauge racing industry strength by the purse amounts paid to the participants (regardless of the source of these funds). The Equibase result chart provides the actual amount paid to the racing participants (regardless of the source of the funds). These objection procedures are no longer necessary and have also been the subject of a court challenge. *See Kelly et al., v. Horseracing Integrity and Safety Authority et al.*, Civ. No. 4:24-cv-00264 (S.D. Iowa). Although the Authority believes it can successfully defend the litigation, it does not believe that utilizing resources to defend an unnecessary rule is prudent.

The modification in Rule 8520(h) recognizes that the Authority's address may change and incorporates the Authority's address located on the Authority's website for all future notices required to be given to the Authority pursuant to the Act and the associated regulations.

Proposed Rule 8520(i) is a new subsection. This new provision imposes interest on past due amounts. The imposition of interest on past due amounts ensures that prompt payments are made. Interest imposed on past due amounts is common throughout commercial and government practices across the country.

III. Self-Regulatory Organization's Summary of Comments Received Pre-Submission and Its Responses to Those Comments

The substance of various comments received, and the Authority's responses are summarized below. Comments were received from eleven individuals and groups in the horseracing industry.²² Two of the commentators supported the modifications in Rule 8520(c)(2) that will now base the assessment calculation solely on Projected Starts.²³

Eight commentators objected to the proposed modifications to Rule 8520(c)(2).²⁴ All of these comments have been considered. The assessment calculation has been the subject of an ongoing debate since the original rule was proposed in 2022. *See, e.g.*, March 14, 2022 Letter at n. 10. The Authority has considered both sides of the debate and has concluded that—for the reasons set forth above—the most appropriate and equitable approach going forward is to base the assessments solely on Projected Starts. It should be noted that the Ohio HBPA is taking a different view on the assessment rule in its comment than it is taking in litigation. The Ohio HBPA claims that the modification is “a blatant attempt to shift HISA fees from the large tracks running short meets with large purse structures, which arguably can afford to pay those fees, to smaller tracks who run more racing days with much smaller purse structures who almost assuredly cannot afford them.” This claim is in direct contravention of the position the Ohio HBPA is taking in the Louisiana Action, in which the Amended Complaint states that consideration of

²² Diane Hain (“Ms. Hain”), Phil Ziegler, President of Emerald Downs (“Mr. Ziegler”), the Minnesota Racing Commission (“MRC”), California Horse Racing Board (“CHRB”), 1/ST Racing (“1/ST”), Penn, Canterbury Park (“Canterbury”), Ohio Horsemen's Benevolent and Protective Association (“Ohio HBPA”), Churchill Downs Inc. (“CDF”), Washington Horse Racing Commission (“WHRC”) and National Horsemen's Benevolent and Protective Association (“NHBPA”).

²³ 1/ST (We are generally in support of this methodology for determining assessments at the various racetracks across the country. We believe that it is a fair way to apportion the costs of HISA. Particularly because the costs for many of the aspects of HISA, such as drug testing, are fixed irrespective of the purse level at a racetrack.”) and CHRB (“the funding formula seems fine”).

²⁴ Ms. Hain (modified rule would place an unfair burden on small racetracks); Mr. Ziegler (same); WHRC (same); Penn (same); Ohio HBPA (same); NHBPA (same); MRC (modified rule would place an unfair burden on small racetracks and estimates that the racetrack's assessment in Minnesota would rise from \$883,327 to \$1,049,000); Canterbury (same).

any factor but starts is contrary to the Act.²⁵

Three commentators addressed comments to other aspects of the Rule 8500 Series.²⁶ As noted previously, Penn's comment regarding the Projected Purses Paid definition was incorporated in the modification. Penn also offered additional comments. Penn stated that use of the condition book in Rule 8520(e) is not a reliable guide for estimation of races because the condition book can overestimate “the number of races in order to allow for a variety and cross section of potential races to be used.” The Authority recognizes that the condition book could overestimate the number of races. This is the reason that the estimate is based on historical data from Equibase in addition to the condition book. The condition book will specify the planned number days of racing, and this information combined with the historical data will lead to the best estimate.

In addition, Penn states that the assessment calculation in Rule 8320(e) “should be paid on a 30-day, net basis which is traditional payment rate for most businesses.” The Authority has adopted that suggestion in the proposed rule. Finally, Penn states that the interest rate charge “should not have additional points added” and “Racetracks should not be charged interest on amounts owed by other Covered Persons who have not paid pursuant to the Regulations.”²⁷ After consideration of the comment, the rule has been modified to charge interest at prime rate without additional points.

The NHBPA argues that “[o]ften times covered horses may run in a race where they are not entitled to any of the supplements offered beyond the guaranteed purse, thus the added purse structure does not apply to all horses and therefore should not be added to the determination of funding methodology.” The revised definition addresses this concern. As discussed above, the Equibase result chart reports the money actually paid to the race participants. The remainder of the comments of the NHBPA are directed at portions of the Rule 8500 Series that have not been modified.

²⁵ It should also be noted that the NHBPA is taking a position directly contrary to numerous of its State affiliates.

²⁶ NHBPA, CDI and Penn.

²⁷ Penn also asserts that a “Racetrack should not be responsible, or liable, for any payments due from other Covered Purses required to pay a portion of the Assessment” and that “Racetracks should not be required to collect and remit funds from Owners/Trainers/Jockeys.” These comments relate to portions of the rule that are unchanged from the current rule.

CDI claims that the Authority is not authorized to collect interest. The Authority disagrees. Proposed Rule 8520(i) is fully consistent with the Act, which authorizes HISA to assess a fee owed to HISA and “collect such fee according to such rules as the Authority may promulgate.” 15 U.S.C. 3052(f)(3)(C)(i). Requiring an interest rate on amounts past due for assessments is necessary to incentivize timely payments and ensure HISA has the cash flow required to sustain its operations. CDI also objects to the removal of the objection process related to Equibase data in proposed Rule 8520(f). It is important to note that to date, no racetrack has lodged an objection, and the example of steeplechase racing offered by CDI is a non sequitur. Lastly, CDI argues that by modifying Rule 8520(b) to permit the estimated amount required from each State to be broken down by Racetrack, the Authority is not complying with the Act. This argument is not well-founded. In permitting the Authority to provide the estimated amount owed by Racetrack, the rule does not alter the State’s right to opt to pay the assessment and its right to “determine . . . the method by which the requisite amount of fees . . . shall be allocated, assessed, and collected.” Instead, the rule as modified will simply provide full transparency to the industry of the details of the assessment calculations if a State racing commission chooses to not pay the assessment.

The changes advanced in the proposed Cost Methodology Rule Modification are intended to enhance the Rule 8500 Series in a manner that is consistent with the Act. The proposed rules are carefully tailored to the unique character of horseracing and to the organizational structure of the Authority.

IV. Legal Authority

This rule is proposed by the Authority for approval or disapproval by the Commission under 15 U.S.C. 3053(c)(1).

V. Date of Effectiveness

If approved by the Commission, this proposed rule modification would be effective 30 days following the date of the Commission’s order approving the modification.

VI. Request for Comments

Members of the public are invited to comment on the Authority’s proposed rule modification. The Commission requests that factual data on which the comments are based be submitted with the comments. The supporting documentation referred to in the

Authority’s filing is available for public inspection on the docket for this matter at <https://www.regulations.gov>.

The Commission seeks comments that address the decisional criteria provided by the Act. The Act gives the Commission two criteria against which to measure proposed rules and rule modifications: “The Commission shall approve a proposed rule or modification if the Commission finds that the proposed rule or modification is consistent with—(A) this chapter; and (B) applicable rules approved by the Commission.”²⁸ In other words, the Commission will evaluate the proposed rule for its consistency with the specific requirements, factors, standards, or considerations in the text of the Act as well as the Commission’s rules.

Although the Commission evaluates the Authority’s proposed rule for its consistency with the Act and the Commission’s rules, the Commission may consider broader questions—about the health and safety of horses and jockeys, the integrity of horseraces and wagering on horseraces, and the administration of the Authority itself—in another context: “The Commission . . . may abrogate, add to, and modify the rules of the Authority promulgated in accordance with [the Act] as the Commission finds necessary or appropriate to ensure the fair administration of the Authority, to conform the rules of the Authority to requirements of [the Act] and applicable rules approved by the Commission, or otherwise in furtherance of the purposes of [the Act].”²⁹ The Commission may exercise this rulemaking power on its own initiative or in response to a petition from a member from the public. If members of the public wish to provide comments to the Commission about its use of the rulemaking power, they are encouraged to submit a petition requesting that the Commission issue a rule addressing the subject of interest. The petition must meet all the criteria established in the Rules of Practice (part 1, subpart D);³⁰ if it does, the petition will be published in the **Federal Register** for public comment. In particular, the petition for a rulemaking must “identify the problem the requested action is intended to address and explain why the requested action is necessary to address the problem.”³¹

²⁸ 15 U.S.C. 3053(c)(2).

²⁹ 15 U.S.C. 3053(e) (as amended by the Consolidated Appropriations Act, 2023, H.R. 2617, 117th Cong., Division O, Title VII (2022)).

³⁰ 16 CFR 1.31; see FTC, Procedures for Responding to Petitions for Rulemaking, 86 FR 59851 (Oct. 29, 2021).

³¹ 16 CFR 1.31(b)(3).

VII. Comment Submissions

You can file a comment online or on paper. For the Commission to consider your comment, we must receive it on or before November 6, 2024. Write “HISA Assessment Methodology Rule Modification” on your comment. Your comment—including your name and your State—will be placed on the public record of this proceeding, including the <https://www.regulations.gov> website.

Postal mail addressed to the Commission is subject to delay due to heightened security screening. As a result, we strongly encourage you to submit your comments online. To make sure the Commission considers your online comment, you must file it at <https://www.regulations.gov>, by following the instructions on the web-based form.

If you file your comment on paper, write “HISA Assessment Methodology Rule Modification” on your comment and on the envelope, and mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW, Mail Stop H-144 (Annex H), Washington, DC 20580. If possible, please submit your paper comment to the Commission by overnight service.

Because your comment will be placed on the public record, you are solely responsible for making sure that your comment does not include any sensitive or confidential information. In particular, your comment should not contain sensitive personal information, such as your or anyone else’s Social Security number; date of birth; driver’s license number or other State identification number or foreign country equivalent; passport number; financial account number; or credit or debit card number. You are also solely responsible for making sure your comment does not include any sensitive health information, such as medical records or other individually identifiable health information. In addition, your comment should not include any “[t]rade secret or any commercial or financial information which . . . is privileged or confidential”—as provided in section 6(f) of the FTC Act, 15 U.S.C. 46(f), and FTC Rule 4.10(a)(2), 16 CFR 4.10(a)(2)—including, in particular, competitively sensitive information such as costs, sales statistics, inventories, formulas, patterns, devices, manufacturing processes, or customer names.

Comments containing material for which confidential treatment is requested must be filed in paper form, must be clearly labeled “Confidential,” and must comply with FTC Rule 4.9(c), 16 CFR 4.9(c). In particular, the written

request for confidential treatment that accompanies the comment must include the factual and legal basis for the request and must identify the specific portions of the comment to be withheld from the public record. *See* FTC Rule 4.9(c). Your comment will be kept confidential only if the General Counsel grants your request in accordance with the law and the public interest. Once your comment has been posted publicly at <https://www.regulations.gov>—as legally required by FTC Rule 4.9(b), 16 CFR 4.9(b)—we cannot redact or remove your comment, unless you submit a confidentiality request that meets the requirements for such treatment under FTC Rule 4.9(c), and the General Counsel grants that request.

Visit the FTC website to read this document and any news release describing it. The FTC Act and other laws that the Commission administers permit the collection of public comments to consider and use in this proceeding as appropriate. The Commission will consider all timely and responsive public comments it receives on or before November 6, 2024. For information on the Commission's privacy policy, including routine uses permitted by the Privacy Act, see <https://www.ftc.gov/siteinformation/privacypolicy>.

VIII. Communications by Outside Parties to the Commissioners or Their Advisors

Written communications and summaries or transcripts of oral communications respecting the merits of this proceeding, from any outside party to any Commissioner or Commissioner's advisor, will be placed on the public record. *See* 16 CFR 1.26(b)(5).

IX. Self-Regulatory Organization's Proposed Rule Language

The following language reflects the Assessment Methodology Rule with the proposed modifications incorporated. A redline version that shows every way in which the previously approved Assessment Methodology Rule would be modified by the proposed rule modification is available as Exhibit B on the docket at <https://www.regulations.gov>.

8500. Methodology for Determining Assessments

8510. Definitions

For purposes of this Rule 8500 Series:

(a) *Annual Covered Racing Starts* has the meaning set forth in Rule 8520(c)(1) through December 31, 2025. Effective January 1, 2026, Annual Covered Racing

Starts shall have the meaning set forth in Rule 8520(c)(2).

(b) *Covered Horseraces* has the meaning set forth in 15 U.S.C. 3051(5).

(c) *Covered Persons* has the meaning set forth in 15 U.S.C. 3051(6).

(d) *Projected Starts* means the number of starts in covered horseraces in the previous twelve (12) months as reported by Equibase, after taking into consideration alterations in the racing calendar of the relevant State(s) for the following calendar year.

(e) *Projected Purses Paid* means: the total amount of purses paid for covered horseraces (including all purse supplements included in the Equibase result chart) in the previous twelve (12) months as reported by Equibase (not including the Breeders' Cup World Championships Races), after taking into consideration alterations in purses paid for the relevant State(s) for the following calendar year.

(f) *Racetrack* has the meaning set forth in 15 U.S.C. 3051(15).

8520. Annual Calculation of Amounts Required

(a) If a State racing commission elects to remit fees pursuant to 15 U.S.C. 3052(f)(2) for any calendar year, the State racing commission shall notify the Authority in writing on or before thirty (30) days from the receipt of the estimated amount provided to the State racing commission pursuant to Rule 8520(b). A State racing commission may be permitted to pay a portion of the estimated amount provided to the State racing commission pursuant to Rule 8520(b). In such case, the remaining portion of the estimated amount provided to the State racing commission pursuant to Rule 8520(b), shall be paid pursuant to Rule 8520(e).

(b) Not later than November 1 of each year, the Authority shall determine and provide to each State racing commission the estimated amount required from each State pursuant to the calculation set forth in Rule 8520(c) below. The estimated amount required from each State shall also include the estimated amount broken down by each Racetrack in the jurisdiction based on each Racetrack's proportionate share in the Projected Purses Paid in covered horseraces in the State over the applicable year (the "Assessment Calculation for each Racetrack"). Notwithstanding the preceding sentence, effective January 1, 2026, the Assessment Calculation for each Racetrack shall be based on each Racetrack's proportionate share in the Projected Starts in covered horseraces in the State over the applicable year.

(c)(1) Upon the approval of the budget for the following calendar year by the Board of the Authority, and after taking into account other sources of Authority revenue, the Authority shall allocate the calculation due from each State pursuant to 15 U.S.C. 3052(f)(1)(C)(i) proportionally by each State's respective percentage of the Annual Covered Racing Starts. The proportional calculation for each State's respective percentage of the Annual Covered Racing Starts shall be calculated as follows: (i) the total amount due from all States pursuant to 15 U.S.C. 3052(f)(1)(C)(i) shall be divided by the Projected Starts of all covered horseraces; then (ii) fifty percent (50%) of the quotient calculated in (c)(1)(i) is multiplied by the quotient of (aa) the relevant State's percentage of the total amount of Projected Purses Paid divided by (bb) the relevant State's percentage of the Projected Starts; then (iii) the sum of (aa) the product of the calculation in (c)(1)(ii) and fifty percent (50%) of the quotient calculated in (c)(1)(i) is multiplied by the Projected Starts in the applicable State. Provided however, that no State's allocation shall exceed ten percent (10%) of the total amount of Projected Purses Paid for covered horseraces as reported by Equibase in the State (not including the Breeders' Cup World Championships Races). All amounts in excess of the ten percent (10%) maximum shall be allocated proportionally to all States that do not exceed the maximum, based on each State's respective percentage of the Annual Covered Racing Starts.

(c)(2) Notwithstanding Rule 8520(c)(1), effective beginning with the 2026 budget of the Authority, upon the approval of the budget of the Authority by the Board of the Authority, and after taking into account other sources of Authority revenue, the Authority shall allocate the calculation due from each State pursuant to 15 U.S.C. 3052(f)(1)(C)(i) proportionally by each State's respective percentage of the Annual Covered Racing Starts. The proportional calculation for each State's respective percentage of the Annual Covered Racing Starts shall be calculated as follows: (1) the total amount due from all States pursuant to 15 U.S.C. 3052(f)(1)(C)(i) shall be divided by the Projected Starts of all covered horseraces; multiplied (2) by the Projected Starts in the applicable State.

(d) Pursuant to 15 U.S.C. 3052(f)(2)(B), a State racing commission that elects to remit fees, shall remit fees on a monthly basis and each payment shall equal one-twelfth (1/12) of the

estimated annual amount required from the State for the following year.

(e) If a State racing commission does not elect to remit fees pursuant to 15 U.S.C. 3052(f)(2) or has remitted a partial payment under Rule 8520(a):

(1) The Authority shall on a monthly basis calculate and notify each Racetrack in the State of the applicable fee per racing start for the next month based upon the following calculations:

(i) Calculate the amount due from the Assessment Calculation for each Racetrack as if the State had elected to remit fees pursuant to 15 U.S.C. 3052(f)(2) (after taking into account any partial payment under Rule 8520(a)).

(ii) Estimate the number of starts in covered horseraces for the applicable Racetrack for the applicable year based on historical data as reported by Equibase and the condition book for the applicable Racetrack (the “Total Estimated Starts”).

(iii) Calculate the number of starts in covered horseraces for the applicable Racetrack in the previous month that the applicable Racetrack conducted covered horseraces as reported by Equibase (the “Monthly Starts”).

(iv) The applicable fee per racing start shall equal (1) the quotient of Monthly Starts divided by Total Estimated Starts; (2) multiplied by the Assessment Calculation for each Racetrack; and (3) such product divided by the Monthly Starts.

(v) If the applicable fee per racing start results in an overpayment or underpayment of the Assessment Calculation for each Racetrack for the applicable year or there are any past due amounts of the Assessment Calculation for each Racetrack, such overpayments, underpayments and/or past due amounts shall be equitably adjusted to account for such differences in the succeeding calendar year.

(2) Each Racetrack shall pay the Assessment Calculation for each Racetrack to the Authority within thirty (30) days from receipt of the applicable invoice.

(3) Pursuant to 15 U.S.C. 3052(f)(3)(B), the applicable fee per racing start for the Assessment Calculation for each Racetrack shall be equitably allocated among covered persons as follows: Racetrack: 50%; Owners: 43.50%; Trainers: 5.00%; and Jockeys: 1.50%. Provided, however, if the horsemen’s group that represents the majority of owners and trainers racing at the applicable Racetrack (the “Horsemen’s Group”) agrees to pay the applicable starter fee for the owners, trainers and jockeys from the purse account or other sources, such payments shall be deemed to be equitably allocated among the

owners, trainers and jockeys. In such case, the Horsemen’s Group and the Racetrack may mutually agree to the allocation of the applicable fee per racing start and such mutually agreed allocation shall be deemed equitably allocated among covered persons.

Notwithstanding anything contained herein to the contrary, if a Racetrack voluntarily assumes a larger percentage of the applicable fee per racing start than set forth in this section, such allocation shall be deemed equitably allocated among covered persons. The Racetrack shall collect the applicable fee per racing start from the applicable covered persons involved with covered horseraces.

(f) Not later than March 1 of each year, the Authority shall calculate the actual number of starts in covered horseraces as reported by Equibase for the previous calendar year and the actual total amount of purses paid (including all purse supplements included in the Equibase result chart) for covered horseraces as reported by Equibase for the previous calendar year and apply such amounts to the calculations set forth in Rule 8520(c) instead of the projected amounts utilized in the calculation of the estimated amount provided to the State racing commission pursuant to Rule 8520(b) for the relevant calendar year (the “True-Up Calculation”). The allocation due from each State in the current year shall be equitably adjusted to account for any differences between the estimated amount provided to the State racing commission pursuant to Rule 8520(b) for the previous year and the True-Up Calculation.

(g) In the event that any court of competent jurisdiction issues an injunction that enjoins the enforcement of the Rule 8500 Series based on the use of purses paid in the Assessment Methodology Rule, the applicable States, Racetracks and Covered Persons, as the case may be, shall pay the allocation due from each State pursuant to 15 U.S.C. 3052(f)(1)(C) and 15 U.S.C. 3052(f)(3)(A)–(C) proportionally by the applicable State’s respective percentage of Projected Starts (the “Alternative Calculation”). In the event that such injunction is reversed by a court of competent jurisdiction and such reversal is final and non-appealable, the Authority shall adjust the allocation due from the applicable States, Racetracks and Covered Persons, as the case may be, in the current calendar year to account for the overpayment or underpayment created by the use of the Alternative Calculation made during the time that the injunction was in force.

(h) All notices required to be given to the Authority pursuant to the Act and these regulations shall be in writing and shall be mailed to the Authority’s address listed on the Authority’s website and emailed to jim.gates@hisaus.org.

(i) Interest shall accrue on all past due amounts hereunder at an interest rate equal to the prime rate published in the Wall Street Journal on the date the payment is due, compounded annually, on such amount from the due date of the payment until such amount is paid.

By direction of the Commission.

April J. Tabor,
Secretary.

[FR Doc. 2024–24567 Filed 10–22–24; 8:45 am]

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

[Docket No. CDC–2024–0082; NIOSH–354]

World Trade Center Health Program; Request for Information

AGENCY: Centers for Disease Control and Prevention (CDC), Department of Health and Human Services (HHS).

ACTION: Request for information.

SUMMARY: The National Institute for Occupational Safety and Health (NIOSH), within the CDC, is soliciting public comment on the scope of two upcoming research funding announcements forecasted for FY2026. The World Trade Center (WTC) Health Program is interested in soliciting applications for Cooperative Research Agreements Related to the World Trade Center Health Program (RFA–OH–26–001) and for Assessment and Evaluation of Emerging Health Conditions Relevant to the World Trade Center Health Program (RFA–OH–26–002). Forecasts are published in [grants.gov](https://www.grants.gov). The WTC Health Program supports research to help answer critical questions about potential September 11, 2001-related physical and mental health conditions, as well as research on diagnosing and treating health conditions on the List of WTC-Related Health Conditions (List).

DATES: Comments must be received by November 22, 2024.

ADDRESSES: Comments may be submitted through either of the following two methods:

- *Federal eRulemaking Portal:* <http://www.regulations.gov> (follow the instructions for submitting comments), or