

methodology, the proposed changes would support the calculation of margin requirements that more accurately reflect the risks associated with binary options products. More accurate margin calculations would improve OCC's ability to assess and manage its credit exposures associated with binary options positions, which increases the likelihood that OCC would collect sufficient margin collateral. Increasing the likelihood that OCC collects sufficient margin collateral to address risks associated with binary options positions would, in turn, help reduce the likelihood that OCC would need to utilize Clearing Fund contributions of non-defaulting Clearing Members to cover losses associated with such a default.

Accordingly, the proposed changes would help assure the safeguarding of securities and funds which are in OCC's custody or control or for which it is responsible. Therefore, the Commission finds that the Proposed Rule Change is consistent with the requirements of Section 17A(b)(3)(F) of the Exchange Act.²⁰

B. Consistency With Rule 17ad-22(e)(6)(i) Under the Exchange Act

Rule 17ad-22(e)(6)(i) under the Exchange Act requires that a covered clearing agency establish, implement, maintain and enforce written policies and procedures reasonably designed to cover, if the covered clearing agency provides central counterparty services, its credit exposures to participants by establishing a risk-based margin system that, at a minimum considers, and produces margin levels commensurate with, the risks and particular attributes of each relevant product, portfolio, and market.²¹

As described above, OCC proposes to update its STANS Methodology Description to support the clearing of European-style binary options, which OCC does not currently address in its margin methodology. OCC's initial adoption of the STANS Methodology Description was consistent with Rule 17ad-22(e)(6)(i) under the Exchange Act, in part, because it covered various components of STANS designed to address the particular attributes of the products that OCC clears, including European-style options, and described OCC's process for addressing the entrance of new products, such as identifying and separately processing

risk factors with incomplete data sets that lack sufficient data.²²

The additions to the STANS Methodology Description are clearly designed to consider the risks and attributes of binary options products as well as the market for such products. With regard to the product itself, OCC's proposal to operate within a Black-Scholes options pricing framework initially using the forward price of the underlying asset and the implied volatility of the corresponding vanilla option to price a binary option is consistent with the consideration of the particular attributes of the binary options products.²³ With regard to potential market issues such as illiquidity at the launch of a given binary option, the proposed methodology includes an adjustment term that is designed to capture differences between market prices and theoretical prices and ensure that the price of the binary option aligns with market price. Further, OCC will apply its smoothing algorithm, using market quotes, to ensure that prices conform to specific constraints related to bid-ask spreads, monotonicity, and put-call parity.

Accordingly, the Commission finds that the Proposed Rule Change is consistent with the requirements of Rule 17ad-22(e)(6)(i).²⁴

IV. Conclusion

On the basis of the foregoing, the Commission finds that the Proposed Rule Change is consistent with the requirements of the Exchange Act, and in particular, with the requirements of Section 17A(b)(3)(F) of the Exchange Act,²⁵ and Rule 17ad-22(e)(6)(i) thereunder.²⁶

It is therefore ordered pursuant to Section 19(b)(2) of the Exchange Act²⁷ that the proposed rule change (SR-OCC-2026-003) be, and hereby is, approved.²⁸

²² See Exchange Act Release No. 91079 (Feb. 8, 2021), 86 FR 9410, 9413 (Feb. 12, 2021) (File No. SR-OCC-2020-016).

²³ The price of the underlying security and implied volatility are notable risk factors utilized in STANS. See Exchange Act Release No. 95319 (July 19, 2022), 87 FR 44167, 44168 (July 25, 2022) (File No. SR-OCC-2022-001) (stating that the majority of risk factors utilized in STANS are the returns on individual equity securities; however, a number of other risk factors may be considered, including, among other things, returns on implied volatility).

²⁴ 17 CFR 240.17ad-22(e)(6)(i).

²⁵ 15 U.S.C. 78q-1(b)(3)(F).

²⁶ 17 CFR 240.17ad-22(e)(6)(i).

²⁷ 15 U.S.C. 78s(b)(2).

²⁸ In approving the Proposed Rule Change, the Commission considered the proposal's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁹

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026-10453 Filed 5-26-26; 8:45 am]

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SURFACE TRANSPORTATION BOARD

[Docket No. FD 36927]

Denton & North Texas Railroad LLC—Construction and Operation Exemption—Line of Railroad in Denton County, Tex.

Denton & North Texas Railroad LLC (DNT), a noncarrier subsidiary of Patriot Rail Company LLC (Patriot Rail),¹ has filed a verified notice of exemption under 49 CFR 1150.36 to construct and operate approximately 4,200 feet of track inside an existing Canadian Pacific Railway Company d/b/a Canadian Pacific Kansas City (CPKC) right-of-way near Krum, Tex., between CPKC milepost 109 and milepost 110 (DNT Line). The DNT Line would connect CPKC's mainline to DNT-operated track within an approximately 120-acre planned industrial park. According to the verified notice, DNT will operate the DNT Line as a common carrier.

According to the verified notice, CPKC and Patriot Rail announced the industrial park as a way to serve the cement, aggregate, and lumber markets in the Southwest and create a more sustainable supply chain. DNT states that the new DNT line would be double-tracked, built within an existing CPKC right-of-way, and would offer access to a planned industrial park owned by DNT. DNT further states that it has already signed a lease with one industrial park tenant desiring rail service, and that it will start soliciting bidders for the construction process by early July 2026.

According to the verified notice, construction of the DNT Line would not start earlier than 90 days after the filing of this notice of exemption.

DNT has certified that it will comply with the Board's environmental rules at 49 CFR 1105 and with the pre-filing notice requirements at 49 CFR 1150.36(c)(1). However, DNT argues that the DNT Line is a small project within an existing rail right-of-way that will have no significant environmental

²⁹ 17 CFR 200.30-3(a)(12).

¹ According to the verified notice, Patriot Rail controls Class III carriers in 21 states and will file a notice of exemption to continue in control of DNT upon its becoming a Class III rail carrier. See 49 CFR 1180.2(d)(2).

²⁰ 15 U.S.C. 78q-1(b)(3)(F).

²¹ 17 CFR 240.17ad-22(e)(6)(i).

effects, and, for that reason, DNT asks the Board to waive its environmental rules or adopt an existing categorical exclusion from the Federal Railroad Administration (FRA). See 42 U.S.C. 4336(c). DNT argues that such a waiver is appropriate here because, DNT asserts, the proposed DNT Line would qualify for a categorical exclusion under both an existing FRA rule, see 23 CFR 771.116(c)(12), and the Board's recently proposed revisions to its environmental rules. See *Permitting Reform—Env't. Rev. Process*, EP 779, slip op. at 9 (STB served Mar. 25, 2026). The Board will address DNT's request in a subsequent decision.

This exemption will be effective on August 5, 2026, unless stayed. Petitions to stay that do not involve environmental issues must be filed by June 5, 2026. Petitions for reconsideration must be filed by June 16, 2026.

If the verified notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption.

All pleadings, referring to Docket No. FD 36927, must be filed with the Surface Transportation Board via e-filing on the Board's website or in writing addressed to 395 E Street SW, Washington, DC 20423-0001. In addition, a copy of each pleading must be served on DNT's representatives, Jay C. Johnson & Megan L. Algya, Venable LLP, 600 Massachusetts Ave. NW, Washington, DC 20001.

Board decisions and notices are available at www.stb.gov.

Decided: May 20, 2026.

By the Board, Anika S. Cooper, Chief Counsel, Office of Chief Counsel.

Regena Smith-Bernard,

Clearance Clerk.

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[Docket No. FAA-2013-0259]

Notice of Meeting on Section 1115 of the FAA Reauthorization Act of 2024

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of meeting.

SUMMARY: Federal Aviation Administration (FAA) announces a

virtual meeting regarding the identification of potential scheduling conflicts pursuant to Section 1115 of the FAA Reauthorization Act of 2024. This is the second annual occurrence of this meeting and is open to all representatives of FAA-approved air shows, the general aviation community, stadiums and other large outdoor events and venues or organizations that run such events, the Department of Homeland Security, and the Department of Justice. The goal of this meeting is to identify potential scheduling conflicts so FAA can develop appropriate operational and communication procedures to ensure the safety and security of both events.

DATES: FAA will hold this virtual meeting on Wednesday, June 24, 2026, beginning at 1:00 p.m. (Eastern Time), and the meeting will continue until adjourned by FAA's Rules and Regulations Group. FAA must receive requests to attend, requests to present, and any submissions of materials no later than Wednesday, June 17, 2026.

FOR FURTHER INFORMATION CONTACT:

Justin Hodgins, Acting Manager, Airspace Rules and Regulations Team, email: 9-ajo-airspaceandrules@faa.gov; mail: Federal Aviation Administration, 600 Independence Avenue SW, Washington, DC 20597; or telephone: 202-267-8783.

SUPPLEMENTARY INFORMATION:

Background

Section 1115 of the FAA Reauthorization Act of 2024 (Pub. L. 118-63, May 16, 2024) (Section 1115) requires the Administrator to conduct an annual meeting to identify scheduling conflicts between FAA-approved airshows and large outdoor events and venues where flight restrictions will be imposed pursuant to section 521 of division F of the Consolidated Appropriations Act, 2004 (49 U.S.C. 40103 note) or any other restriction will be imposed pursuant to FAA Flight Data Center Notice to Airmen 4/3621 (or any successor notice to airmen). Section 1115 requires FAA to include in the meeting representatives of FAA-approved air shows, the general aviation community, stadiums and other large outdoor events and venues or organizations that run such events, the Department of Homeland Security, and the Department of Justice. If a scheduling conflict is identified, FAA will use that information to develop appropriate operational and communication procedures to ensure the safety and security of both events.

Meeting Procedures

(a) *Format:* The meeting will be held virtually on Zoom.

(b) *Registration:* To attend the meeting, send requests to Justin Hodgins, Acting Manager, Airspace Rules and Regulations Team via email (preferred) at 9-ajo-airspaceandrules@faa.gov no later than Wednesday, June 17, 2026.

(c) The meeting will be open to all persons on a space-available basis. There will be no admission fee or other charge to attend or participate. One or more representatives of FAA's Rules and Regulations Group will conduct the meeting.

(d) FAA will email registrants the meeting access information in a timely manner prior to the start of the meeting.

(e) FAA will give each participant an opportunity to deliver comments to support identifying potential scheduling conflicts, although it may impose a time limit to accommodate all participants during the meeting. FAA will limit comments to only those that support the identification of potential scheduling conflicts because the purpose of the meeting is to inform FAA of the need to develop appropriate operational and communication procedures to ensure for the safety and security of both events as a follow-on action at a local level. FAA deems other comments out of scope.

(e) Each person wishing to make a presentation must note the intent to do so when registering for the meeting so FAA can establish time limits, if needed. FAA will not adjourn the meeting until everyone registered to speak has an opportunity to address the panel. FAA may adjourn the meeting at any time if all persons present have had an opportunity to speak.

(f) FAA will accept material relating to the substance of the meeting. Participants submitting materials must send them to the email (preferred) or mailing addresses noted in the **FOR FURTHER INFORMATION CONTACT** section no later than Wednesday, June 17, 2026.

(Authority: Sec. 1115, Pub. L. 118-63, 138 Stat. 1025.)

Issued in Washington DC, on May 20, 2026.

Alex W. Nelson,

Manager, Rules and Regulations Group.

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