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The Code of Federal Regulations is sold by the Superintendent of Documents.

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 107

[Docket No. FAA–2025–0412]

Accepted Means of Compliance for Small Unmanned (sUA) Aircraft Category 2 and Category 3 Operations Over Human Beings; Aerial Vehicle Safety Solutions Inc. (AVSS)

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Notification of availability.

SUMMARY: This document announces the acceptance of a means of compliance with FAA regulations for sUA Category 2 and Category 3 operations over human beings. The Administrator finds that AVSS's ''Means of Compliance with §§ 107.120(a) and 107.130(a) for Small Unmanned Aircraft,'' revision 6, dated January 7, 2025, provides an acceptable means, but not the only means, of showing compliance with FAA regulations.

DATES: The means of compliance is accepted effective October 3, 2025.

FOR FURTHER INFORMATION CONTACT:

FAA Contact: Kimberly Luu, Cabin Safety Section, AIR–624, Technical Policy Branch, Policy and Standards Division, Aircraft Certification Service, Federal Aviation Administration, 2200 South 216th Street, Des Moines, Washington 98198; telephone and fax 206–231–3414; email *Kimberly.H.Luu@faa.gov.*

AVSS Contact: Josh Ogden, CEO, AVSS, 570 Queen Street, Suite 600, Fredericton, New Brunswick, E3B–6Z6, Canada, +1 (650) 741–1326; *Info@avss.co.*

SUPPLEMENTARY INFORMATION:

Background

Title 14, Code of Federal Regulations, part 107, subpart D, prescribes the eligibility and operating requirements for civil sUA to operate over human beings in the United States. To be eligible for use, the sUA must meet the requirements of § 107.120(a) for Category 2 operations or § 107.130(a) for Category 3 operations. These sections require the sUA to be designed, produced, or modified such that it will not cause injury to a human being above a specified severity limit, does not contain any exposed rotating parts that would lacerate human skin, and does not contain any safety defects. Section 107.155 requires that means of compliance with § 107.120(a) or § 107.130(a) be established and FAA-accepted. Section 107.160 requires an applicant to declare that sUA for Category 2 or Category 3 operations meet an FAA-accepted means of compliance.

Means of Compliance Accepted

This notification of availability serves as a formal acceptance by the FAA of the AVSS's ''Means of Compliance with §§ 107.120(a) and 107.130(a) for Small Unmanned Aircraft,'' revision 6, as an acceptable means of compliance, but not the only means of compliance with §§ 107.120(a) and 107.130(a). Applicants may also propose alternative means of compliance for FAA review and possible acceptance.

Revisions

Revisions to AVSS's ''Means of Compliance (MOC) with §§ 107.120(a) and 107.130(a) for Small Unmanned Aircraft (sUA),'' revision 6, will not be automatically accepted and will require further FAA acceptance for any revisions to be considered an accepted means of compliance.

Issued in Kansas City, Missouri, on September 30, 2025.

Patrick R. Mullen,

Manager, Technical Policy Branch, Policy and Standards Division, Aircraft Certification Service.

[FR Doc. 2025–19435 Filed 10–2–25; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Office of the Secretary of Transportation

49 CFR Parts 23 and 26

[Docket No. DOT–OST–2025–0897]

RIN 2105–AF33

Disadvantaged Business Enterprise Program and Disadvantaged Business Enterprise in Airport Concessions Program Implementation Modifications

AGENCY: Office of the Secretary of Transportation (OST), U.S. Department of Transportation (DOT).

ACTION: Interim final rule.

SUMMARY: This interim final rule (IFR) ensures that the U.S. Department of Transportation (DOT or Department) operates its Disadvantaged Business Enterprise (DBE) and Airport Concession Disadvantaged Business Enterprise (ACDBE) Programs (collectively, Programs) in a nondiscriminatory fashion—in line with law and the U.S. Constitution. The IFR removes race- and sex-based presumptions of social and economic disadvantage that violate the U.S. Constitution.

DATES: This IFR is effective October 3, 2025. Comments must be received on or before November 3, 2025. To the extent practicable, DOT will consider late-filed comments.

ADDRESSES: You may submit comments identified by the docket number DOT–OST–2025–0897 by any of the following methods:

- *Federal Rulemaking Portal: http://www.regulations.gov.* Follow the online instructions for submitting comments.
- *Mail:* U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590.
- *Hand Delivery:* U.S. Department of Transportation, Docket Operations, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

Instructions: All submissions must include the agency name, docket name, and docket number DOT–OST–2025–0897 or Regulatory Identifier Number

(RIN) 2105–AF33 for this rulemaking. DOT solicits comments from the public to inform its rulemaking process. DOT posts these comments, without edit, including any personal information the commenter provides, to *www.regulations.gov,* as described in the system of records notice (DOT/ALL–14 FDMS), which can be reviewed at *www.dot.gov/privacy.*

Docket: For access to the docket to read background documents or comments received, go to *http://www.regulations.gov* at any time or to U.S. Department of Transportation, Docket Operations, M–30, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue SE, Washington, DC 20950, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

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FOR FURTHER INFORMATION CONTACT: Peter Constantine, Office of the General Counsel, Office of the Secretary, U.S. Department of Transportation, 1200 New Jersey Avenue SE, Washington, DC 20590 at (202) 658–9670 or *peter.constantine@dot.gov.*

SUPPLEMENTARY INFORMATION:

I. Introduction

Spanning nearly 40 years, the Department's DBE and ACDBE programs are small business initiatives intended to level the playing field for businesses seeking to participate in federally assisted contracts and in airport concessions. Rooted in a desire to give small businesses a fair shake in the process, the Programs must balance a desire to help the small business community with an overriding government obligation to serve the public. The government must undertake all these efforts consistent with law—including constitutional nondiscrimination requirements that establish the conditions for national harmony and unity. This IFR advances the administration's goals of nondiscrimination, fairness, and excellence in serving the American public.

Although the Programs aim to assist small businesses owned and controlled by ''socially and economically disadvantaged individuals,'' Congress has mandated by statute that DOT treat certain individuals—women and members of certain racial and ethnic groups—as ''presumed'' to be disadvantaged.[1] Other individuals do not benefit from that statutory presumption. This means that two similarly situated small business owners may face different standards for entering the program, based solely on their race, ethnicity, or sex.

On September 23, 2024, the U.S. District Court for the Eastern District of Kentucky determined that the DBE program's statutory race- and sex-based presumptions likely do not comply with the Constitution's promise of equal protection under the law.[2] The Court held that the Government may only use a racial classification to ''further a compelling government interest'' and may only use race in a ''narrowly tailored fashion.'' It held that although courts have identified a compelling government interest in ''remediating specific, identified instance[s] of past discrimination that violated the constitution or a statute,'' the Government did not present evidence of such discrimination by DOT against each of the groups covered by the DBE program's presumptions. The Court held, moreover, that the presumptions were not narrowly tailored because Congress used an unexplained ''scattershot'' approach in identifying the covered groups, and because the presumptions had no ''logical end point.'' The Court also held that the sex-based presumptions failed heightened scrutiny. Accordingly, the Court issued a preliminary injunction that prohibits DOT from mandating the use of presumptions with respect to contracts on which the two plaintiff entities bid. DOT has implemented the injunction by requiring funding recipients to remove DBE contract goals from any contracts on which the plaintiffs intend to bid.

On January 20, 2025, the President issued Executive Order 14151, *Ending Radical and Wasteful Government DEI Programs and Preferencing,* which affirmed that ''Americans deserve a government committed to serving every person with equal dignity and respect'' and directed agencies to recommend actions to align their programs and activities with this policy. On January 21, 2025, the President issued Executive Order 14173, *Ending Illegal Discrimination and Restoring Merit-Based Opportunity,* which ordered agencies to ''terminate all discriminatory and illegal preferences, mandates, policies, programs, activities, guidance, regulations, enforcement actions, consent orders, and requirements.''

On March 21, 2025, the Attorney General issued a memorandum to all Federal agencies on implementing these Executive Orders.[3] The Attorney General noted that ''federal policies that give preference to job applicants, employees, or contractors based on race or sex trigger heightened scrutiny under the Constitution's equal protection guarantees and can only survive in rare circumstances.'' The Attorney General directed all Federal agencies immediately to ''[d]iscontinue any policies that establish numerical goals, targets, or quotas based on race or sex,'' and to ''[r]emove any contracting or

[1] Congress has provided that: (1) ''women shall be presumed to be socially and economically disadvantaged individuals''; and (2) the term ''socially and economically disadvantaged individuals'' should otherwise be given the meaning given by section 8(d) of the Small Business Act and its implementing regulations. *See* Infrastructure Investment and Jobs Act, Public Law 117–58, 11101(e)(2) (B) (2021) (DBE program for highway and transit funding); 49 U.S.C. 47107(e)(1) (ACDBE program); 49 U.S.C. 47113(a)(2) (DBE program for airport funding). Section 8(d) of the Small Business Act and its implementing regulations create a rebuttable presumption that ''Black Americans,'' ''Hispanic Americans,'' ''Native Americans,'' ''Asian Pacific Americans,'' and ''Subcontinent Asian Americans'' are disadvantaged. *See* 15 U.S.C. 637(d)(3); 13 CFR 124.103(b)(1).

[2] *Mid-America Milling Co.* v. *U.S. Dep't of Transp.,* No. 3:23–cv–00072, 2024 WL 4267183 (Sept. 23, 2024).

[3] Memorandum from the Attorney General for All Federal Agencies, *Implementation of Executive Orders 14151 and 14173; Eliminating Unlawful DEI Programs in Federal Operations* (March 21, 2025), available at *https://www.justice.gov/ag/media/1409556/dl?inline.*

funding requirement or guidance that induces, requires, or encourages private parties to adopt discriminatory practices.''

On February 19, 2025, the President issued Executive Order 14219, *Ensuring Lawful Governance and Implementing the President's ''Department of Government Efficiency'' Deregulatory Initiative,* which directed agencies to identify ''unconstitutional regulations and regulations that raise serious constitutional difficulties,'' and to target those regulations for repeal. On April 9, 2025, the President issued a memorandum directing that this effort should prioritize regulations that conflict with certain Supreme Court decisions, including *Students for Fair Admissions, Inc.* v. *Harvard (SFFA).*[4]

In accordance with the directives of the President and the Attorney General, DOT and the U.S. Department of Justice (''DOJ'') have evaluated the DBE and ACDBE programs. DOT and DOJ, consistent with the ruling of the District Court, have determined that the race- and sex-based presumptions of DOT's DBE programs are unconstitutional. In *SFFA,* the Supreme Court held that race-based admissions programs at universities violated the Equal Protection Clause of the Fourteenth Amendment—and, by corollary, Title VI of the Civil Rights Act. In light of *SFFA,* multiple Federal courts have held unlawful the use of presumptions similar to those used in the DBE and ACDBE programs. In *Ultima Serv. Corp.* v. *U.S. Dep't of Ag.,* the Eastern District of Tennessee held that a Small Business Act program violated the equal protection component of the Fifth Amendment's Due Process Clause to the extent that it used the exact same type of race-based presumptions used by the DBE and ACDBE programs.[5] And in *Nuziard* v. *Minority Business Development Agency,* the Northern District of Texas held that a race-based statutory presumption of disadvantage was unconstitutional and that the U.S. Department of Commerce's application of this statutory preference violated the equal protection principle of the Fifth Amendment.[6] As with the presumptions at issue in *Ultima* and *Nuziard,* there is not a strong basis in evidence that the race- and sex-based presumptions used by the DBE and ACDBE programs are necessary to support a compelling governmental interest, and the presumptions are not narrowly tailored. The government has no compelling justification for engaging in overt race or sex discrimination in the awarding of contracts in the absence of clear and individualized evidence that the award is needed to redress the economic effects of actual previous discrimination suffered by the awardee. For these reasons, the presumptions must be disregarded, and the Department's DBE and ACDBE programs must be administered in all other respects in accordance with the law and consistent with the U.S. Constitution.

On May 28, 2025, DOT (represented by DOJ), along with the plaintiffs in the litigation in the U.S. District Court for the Eastern District of Kentucky, asked the Court to enter a Consent Order resolving a constitutional challenge to the DBE program.[7] The motion is currently pending. In the proposed Consent Order, DOT stipulated and agreed that ''the DBE program's use of race- and sex-based presumptions of social and economic disadvantage . . . violates the equal protection component of the Due Process Clause of the Fifth Amendment of the U.S. Constitution.'' The parties asked the Court to declare that ''the use of DBE contract goals in a jurisdiction, where any DBE in that jurisdiction was determined to be eligible based on a race- or sex-based presumption, violates the equal protection component of the Due Process Clause of the Fifth Amendment,'' and to ''hold and declare that [DOT] may not approve any Federal, State, or local DOT-funded projects with DBE contract goals where any DBE in that jurisdiction was determined to be eligible based on a race- or sex-based presumption.''

On June 25, 2025, the Solicitor General wrote to the Speaker of the House, consistent with 28 U.S.C. 530D, to advise the Speaker that DOJ had concluded that the DBE program's presumptions violate the U.S. Constitution, that DOJ would no longer defend the presumptions in court, and that DOJ had taken that position in ongoing litigation.[8] The Solicitor General noted that DOJ ''had previously defended the DBE program's race-and sex-based presumptions by pointing to societal discrimination against minority-owned businesses generally.'' He stated, however, that ''[c]onsistent with *SFFA*'s rejection of a similar justification in the university-admissions context, [DOJ] has determined that an interest in remedying the effects of societal discrimination does not justify the use of race-and sex-based presumptions in the DBE program.'' The Solicitor General also reported that DOJ has determined that ''like the admissions programs at issue in *SFFA,* the DBE program relies on arbitrary, overbroad, and underinclusive racial categories and lacks any logical end point.'' DOT agrees with and adopts the Solicitor General's analysis.

In light of DOT and DOJ's determination that the DBE program's race- and sex-based presumptions are unconstitutional, DOT is issuing this IFR to remove the presumptions from the DBE program regulations set forth in 49 CFR part 26. Because the ACDBE presumptions are functionally identical and suffer the same constitutional infirmity, this IFR also removes the presumptions from the ACDBE regulations set forth in 49 CFR part 23. To ensure a level playing field between existing participants and new applicants, while also eliminating the effects of the unconstitutional presumptions and reliance in whole or in part on claims of disadvantage based on race or sex, this IFR requires each Unified Certification Program (UCP) to reevaluate any currently certified DBE or ACDBE, to recertify any DBE or ACDBE that meets the new certification standards, and to decertify any DBE or ACDBE that does not meet the new certification standards. The IFR includes certain requirements that apply during the pendency of this reevaluation process.

II. Revisions

Part 26

Subpart A—General

1. Objectives (§ 26.1)

The Department amends § 26.1 to clarify the proper objectives of the DBE program. The Department's amendments replace references to the DBE program being ''narrowly tailored'' with an objective intended to ensure that the DBE program operates in a nondiscriminatory manner and without regard to race or sex, while maximizing efficiency of service. These amendments center the DBE program's purpose of leveling the playing field for businesses owned and controlled by socially and economically disadvantaged individuals while providing excellent service to the American people.

2. Definitions (§ 26.5)

The Department changes the definition of ''socially and economically disadvantaged individual'' in § 26.5 to

[4] 600 U.S. 181 (2023).

[5] *Ultima Servs. Corp.* v. *U.S. Dep't of Agric.,* 683 F. Supp. 3d 745 (E.D. Tenn. 2023).

[6] *Nuziard* v. *Minority Bus. Dev. Agency,* 721 F. Supp. 3d 431 (N.D. Tex. 2024).

[7] Joint Motion for Entry of Consent Order, *Mid-America Milling Co.* v. *U.S. Dep't of Transp.,* No. 3:23–cv–00072 (E.D. Ky. May 28, 2025).

[8] Letter from Solicitor General D. John Sauer to Hon. Mike Johnson (June 25, 2025), *https://www.justice.gov/oip/media/1404871/dl?inline.*

remove the race- and sex-based presumptions that DOT and DOJ and have found to violate the Fifth Amendment. Under the revised rule, any individual seeking to demonstrate that he or she is a ''socially and economically disadvantaged individual'' will be required to make the same individualized showing of disadvantage, regardless of the individual's race or sex.

In furtherance of these legal conclusions, the IFR also replaces the terms ''race-neutral'' and ''race-conscious'' in § 26.5 with ''DBE-neutral'' and ''DBE-conscious'' and modifies the definitions slightly for the same reasons.

3. Recordkeeping and Reporting (§ 26.11)

Similarly, the IFR eliminates the requirement in § 26.11(c)(2)(iv) for recipients to obtain bidders list information about the majority owner's race and sex for all DBEs and non-DBEs who bid as prime contractors and subcontractors on each of a recipient's federally assisted contracts, and then renumbers the requirements in current §§ 26.11(c)(v) through (c)(vii) as §§ 26.11(c)(iv) through (c)(vi).

The IFR also eliminates the requirement in § 26.11(e)(1) that recipients report and categorize the percentage of in-State and out-of-State DBE certifications by sex and ethnicity. The IFR also eliminates the requirements in §§ 26.11(e)(5) and (6) that recipients report the number of in-State and out-of-State applications for an ''individualized'' determination of social or economic disadvantage status, and the number of in-State and out-of-State applicants who made an individualized showing of social and economic disadvantaged status. This IFR requires all applicants to demonstrate social and economic disadvantage affirmatively to participate in the DBE program, which renders these reporting requirements unnecessary. The IFR further renumbers the reporting requirements in current §§ 26.11(e)(2) through (e)(4) as §§ 26.11(e)(1) through (e)(3).

Subpart B—Administrative Requirements for DBE Programs for Federally Assisted Contracting

4. Recipient Monitoring Responsibilities (§ 26.37)

For consistency, the IFR replaces the word ''race-neutral'' with ''DBE-neutral'' in § 26.37(b).

5. Fostering Small Business Participation (§ 26.39)

For consistency, the IFR replaces the word ''race-neutral'' with ''DBE-neutral'' in §§ 26.39(b)(1) and (5).

Subpart C—Goals, Good Faith Efforts, and Counting

6. Setting Goals (§ 26.45)

For consistency, the IFR replaces the phrase ''race-neutral DBE program'' with ''DBE-neutral program'' in § 26.45(a)(2).

For consistency, the IFR amends the second sentence of § 26.45(b) to replace the word ''discrimination'' with ''social and economic disadvantage'' so it will read as follows: ''The goal must reflect your determination of the level of DBE participation you would expect absent the effects of social and economic disadvantage.''

For consistency and to ensure recipients establish overall goals that include only DBEs who are ready, willing, and able to compete for and participate in DOT-assisted contracts, the Department amends § 26.45(c)(3) to clarify that any disparity studies utilized by recipients in setting their goals must provide a detailed capacity analysis, including the methodology used. The Department makes the same clarification regarding the use of disparity studies in § 26.45(d)(ii).

For consistency, the IFR amends § 26.45(f)(3) to remove references to race-neutral and race-conscious measures.

The IFR amends § 26.45(g)(1) to remove consultation requirements for minority and women's contractor groups, as well as the language related to posting proposed overall goals in minority-focused media.

The IFR amends § 26.45(h) by removing the existing language, as there will be no opportunity to create group-specific goals now that race and sex have been removed from the regulation. In its place, the IFR adds new language in § 26.45(h) to indicate that a recipient is not required to update its overall goal until its UCP completes the reevaluation process described in § 26.111.

7. Failing To Meet Overall Goals (§ 26.47)

For consistency, the IFR replaces the words ''race-conscious'' and ''race-neutral'' with ''DBE-conscious'' and ''DBE-neutral'' in in § 26.47(c)(4) and § 26.47(d).

The IFR adds § 26.47(e) to provide that until a Unified Certification Program (UCP) completes the reevaluation process described in § 26.111, the compliance provisions of § 26.47 will not apply to any recipient covered by that UCP. This requirement ensures fairness to recipients during the transition period.

8. Means Used To Meet Overall Goals (§ 26.51)

For consistency, the IFR replaces the words ''race-conscious'' and ''race-neutral'' with ''DBE-conscious'' and ''DBE-neutral'' throughout § 26.51 and the corresponding examples.

The IFR adds § 26.51(h) to provide that until a UCP completes the reevaluation process described in § 26.111, a recipient covered by that UCP may not set any contract goals. This provision ensures that existing DBEs do not continue to receive any benefits as a result of their certification under the old standards.

9. Counting DBE Participation Toward Goals (§ 26.55)

The IFR adds § 26.55(i) to provide that until a UCP completes the reevaluation process described in § 26.111, a recipient covered by that UCP may not count any DBE participation toward DBE goals. This provision ensures that existing DBEs do not continue to receive any benefits as a result of their certification under the old standards.

Subpart D—Certification Standards

10. Burden of Proof (§ 26.61)

The IFR eliminates § 26.61(b)(2), which imposed a burden of proof on certifiers with respect to individuals subject to the race- and sex-based presumptions that the IFR eliminates.

11. Social and Economic Disadvantage (§ 26.67)

The IFR revises § 26.67 to implement the removal of unconstitutional race- and sex-based presumptions. The IFR requires all small business concerns to demonstrate social and economic disadvantage based on their own experiences and circumstances without reliance in whole or in part on race or sex.

Subpart F—Compliance and Enforcement

12. Reevaluation Process (§ 26.111)

This IFR adds § 26.111 to require each UCP to reevaluate any currently certified DBE, to recertify any DBE that meets the new certification standards, and to decertify any DBE that does not meet the new certification standards or fails to provide additional information required for submission under the new certification standards. The IFR provides that decertification procedures of 49 CFR 26.87 do not apply to any

decertification decisions under this process. The IFR requires each UCP to complete the reevaluation process as quickly as practicable following issuance of this IFR. The Department will work with each UCP to minimize the practical impact of this rule change during the pendency of the reevaluation process. This reevaluation process will ensure a level playing field between existing participants and new applicants, while also eliminating the effects of the unconstitutional presumptions and reliance on claims of disadvantage based in whole or in part on race or sex. This process does not replace or restrict the Department's ability to conduct a review or take action under Title VI or other applicable law regarding compliance with equal protection principles. A companion provision has been added to part 23 with respect to reevaluation of ACDBEs.

Part 23

Subpart A—General

13. Aligning Part 23 With Part 26 Objectives (§ 23.1)

The IFR amends the program objectives for the ACDBE program in § 23.1 that are similar to the amendments to the DBE program objectives in § 26.1.

14. Definitions (§ 23.3)

The IFR amends the definition of the phrase ''socially and economically disadvantaged individual'' in § 23.3 to conform to the definition of the phrase in § 26.5. In addition, the IFR replaces the terms ''race-conscious'' and ''race-neutral'' with ''ACDBE-conscious'' and ''ACDBE-neutral'' in § 23.3.

Subpart B—ACDBE Programs

15. Measures To Ensure Nondiscrimination Participation of ACDBEs (§ 23.25)

For consistency, the IFR replaces the words ''race-neutral'' and ''race-conscious'' with ''DBE-neutral'' and ''DBE-conscious'' in §§ 23.25(d) and (e).

The IFR adds § 23.25(h) to provide that until a UCP completes the reevaluation process described in § 23.81, a recipient covered by that UCP may not set concession-specific goals or use any of the other methods described in § 23.25(e). This provision ensures that existing ACDBEs do not continue to receive any benefits as a result of their certification under the old standards.

16. Fostering Small Business Participation (§ 23.26)

For consistency, the IFR replaces the words ''race-neutral'' with ''DBE-neutral'' in § 23.26(b)(1).

For consistency, the IFR replaces the words ''minority and women owned'' with ''socially and economically disadvantaged'' in § 23.26(d)(5).

For consistency, the IFR replaces the word ''gender'' with ''sex'' in § 23.26(e).

17. Reporting and Recordkeeping (§ 23.27)

The IFR eliminates the requirement in § 23.27(c)(2)(iv) for recipients to obtain information about the majority owner's race and sex for all ACDBEs and non-ACDBEs who seek to work on each of a recipient's concession opportunities, and then renumbers the requirements in current §§ 23.27(c)(v) through (c)(vii) as §§ 23.27(c)(iv) through (c)(vi). The IFR also eliminates the requirement in § 23.27(d)(1) that recipients report and categorize the percentage of in-State and out-of-State ACDBE certifications by sex and ethnicity. The IFR also eliminates the requirements in §§ 23.27(d)(5) and (6) that recipients report the number of in-State and out-of-State applications for ''individualized'' determinations of social or economic disadvantage status, and the number of in-State and out-of-State applicants who made an individualized showing of social and economic disadvantaged status. This IFR requires all applicants to demonstrate social and economic disadvantage affirmatively to participate in the ACDBE program, which renders these reporting requirements unnecessary. The IFR further renumbers the reporting requirements in current §§ 23.27(d)(2) through (d)(4) as §§ 23.27(d)(1) through (d)(3).

Subpart D—Goals, Good Faith Efforts, and Counting

18. Goal and Consultation Requirements (§§ 23.41, 23.43)

The IFR amends § 23.41(d) by removing the existing language, as there will be no opportunity to create group-specific goals now that race and sex have been removed from the regulation. In its place, the IFR adds new language to indicate that a recipient is not required to update its overall goal until its UCP completes the reevaluation process described in § 23.81.

The IFR amends § 23.43(b) to remove consultation requirements for minority and women's contractor groups, as well as the language related to posting proposed overall goals in minority-focused media.

19. Setting Goals (§ 23.51)

For consistency, the Department amends § 23.51(a) to replace the words ''discrimination and its effects'' with ''social and economic disadvantage.'' For consistency, the IFR replaces the words ''race-neutral'' and ''race-conscious'' with ''ACDBE-neutral'' and ''ACDBE-conscious'' in §§ 23.51(f), (g), and (h), and in § 23.51(d)(5).

For consistency and to ensure recipients establish overall goals that include only DBEs who are ready, willing, and able to compete for and participate in DOT-assisted contracts, the Department amends § 23.51(c)(3) to clarify that any disparity studies utilized by recipients in setting their goals must provide a detailed capacity analysis, including the methodology used.

20. Counting ACDBE Participation During Transition Period (§§ 23.53, 23.55)

The IFR adds § 23.53(g) and § 23.55(m) to provide that until a UCP completes the reevaluation process described in § 23.81, recipients covered by that UCP, and car rental companies operating at airports covered by that UCP, may not count any ACDBE participation toward ACDBE goals. These provisions ensure that existing ACDBEs do not continue to receive any benefits as a result of their certification under the old standards.

21. Failing To Meet Overall Goals (§ 23.57)

For consistency, the IFR replaces the words ''race-conscious'' and ''race-neutral'' with ''DBE-conscious'' and ''DBE-neutral'' in in § 23.57(b)(4) and § 23.57(c).

The IFR adds § 23.57(d) to provide that until a UCP completes the reevaluation process described in § 23.81, the compliance provisions of § 23.57 will not apply to any recipient covered by that UCP. This requirement ensures fairness to recipients during the transition period.

22. Reevaluation Process (§ 23.81)

This IFR adds § 23.81 to require each UCP to reevaluate any currently certified ACDBE, to recertify any ACDBE that meets the new certification standards, and to decertify any DBE that does not meet the new certification standards or fails to provide additional information required for submission under the new certification standards. The IFR provides that decertification procedures of 49 CFR 26.87 do not apply to any decertification decisions under this process. The IFR requires each UCP to complete the reevaluation process as quickly as practicable following issuance of this IFR. The Department will work with each UCP to minimize the practical impact of this rule change during the pendency of the reevaluation process. This reevaluation

process will ensure a level playing field between existing participants and new applicants, while also eliminating the effects of the unconstitutional presumptions and reliance on claims of disadvantage based in whole or in part on race or sex. This process does not replace or restrict the Department's ability to conduct a review or take action under Title VI or other applicable law regarding compliance with equal protection principles. A companion provision has been added to part 26 with respect to reevaluation of DBEs.

III. Public Proceedings

The Administrative Procedure Act generally requires agencies to provide the public with notice of proposed rulemaking and an opportunity to comment prior to publication of a substantive rule. However, 5 U.S.C. 553(b)(B) authorizes agencies to publish a final rule without first seeking public comment on a proposed rule ''when the agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.'' DOT finds that providing advance notice and an opportunity to comment on these regulatory changes pertaining to the DBE and ACDBE programs would be impracticable, unnecessary, and contrary to the public interest. Consistent with the letter authored by the Solicitor General and discussed elsewhere in the preamble,[9] DOT has determined that race- and sex-based presumptions of the DBE and ACDBE programs violate the U.S. Constitution. In the absence of this IFR, however, DOT's own regulations would continue to require funding recipients to apply those very same presumptions. Allowing this confusing and contradictory situation to continue during a notice-and-comment process would be impracticable and contrary to the public interest. Further, notice-and-comment is unnecessary where a regulatory action is required as a matter of law to ensure consistency with rulings of the United States Supreme Court. It is well-established that an agency is not required to continue to enforce a statutory provision that it has found to be unconstitutional.[10] By the same token, an agency is not required to subject the public to unconstitutional requirements. This IFR provides notice of the amendments to the regulations' provisions and invites the public to comment. DOT has determined, however, that it should not delay the effectiveness of the amendments and that it should act immediately to remedy the unconstitutional programs. For the foregoing reasons, the good cause exception in 5 U.S.C. 553(d)(3) also applies to DOT's decision to make this IFR effective upon publication.

IV. Regulatory Analyses and Notices

A. Executive Order: 12866 (''Regulatory Planning and Review''), Executive Order 13563 (''Improving Regulation and Regulatory Review''), and DOT Regulatory Policies and Procedures

The IFR is a significant regulatory action under Executive Order 12866, ''Regulatory Planning and Review,'' as supplemented by Executive Order 13563, ''Improving Regulation and Regulatory Review.'' Accordingly, the Office of Management and Budget (OMB) has reviewed it under that Executive Order.

The IFR amends reporting and eligibility requirements for the Department's Airport Concession Disadvantaged Business Enterprises (ACDBE) program and Disadvantaged Business Enterprise (DBE) program. These programs are implemented and overseen by recipients of certain Department funds. The changes to the requirements would affect businesses participating in the programs, recipients of Department funds who oversee the programs, and the Department.

The IFR replaces the race- and sex-based presumptions previously embedded in these programs with a requirement for individualized demonstrations of social and economic disadvantage. The IFR also modifies terminology and data reporting requirements to align with constitutional principles while maintaining the programs' statutory objectives.

Need for Regulatory Revisions

The IFR is being issued pursuant to legal determinations by DOT and DOJ that the race- and sex-based presumptions previously embedded in these programs are unconstitutional. In addition to legal compliance, this action corrects a regulatory failure—namely, reliance on presumptions that no longer withstand judicial scrutiny—by shifting to individualized determinations. The IFR aligns the programs with constitutional mandates.

Costs and Benefits

Costs

While DOT is unable to quantify all the economic costs and benefits of the IFR, the Department has identified both qualitative and quantitative impacts. Several provisions may lead to increased or decreased burdens for applicants, certifying agencies, and recipients related to transitional documentation requirements, the degree of technical rigor in disparity studies, and changes in program reporting. The magnitude of these costs and benefits would depend on the scope of the change; the likelihood of behavior adjustment; and potential legal, administrative, or programmatic effects.

Unquantified Costs

Key provisions of the IFR and their related cost impacts include:

- *Removal of race- and sex-based presumptions.* This provision eliminates presumptive eligibility based on race or sex and requires applicants to submit individualized evidence of social disadvantage, alongside the remaining required showing of economic disadvantage. Although the underlying economic disadvantage documentation (*e.g.,* Personal Net Worth, income verification) was already a component of many applications, the shift to a required narrative or case-specific justification for all applications, as opposed to just those that did not meet the presumption of eligibility, may introduce additional procedural burdens and time costs on some applicants. This may increase the complexity of preparing applications and even potentially deter participation among some eligible small businesses, especially those with limited administrative capacity or legal support. This may also implicate reliance interests for businesses that were previously certified based on presumptive eligibility. However, many eligible small businesses will continue efforts at applying for certification and assume the additional burden to apply because of the benefits to being certified and the potential opportunity it brings outweighs the added burden of the application process. All eligible businesses may apply for and potentially obtain certification under the new certification process, which mitigates any impact on reliance interests. In addition, businesses'

[9] Letter from Solicitor General D. John Sauer to Hon. Mike Johnson (June 25, 2025), *https://www.justice.gov/oip/media/1404871/dl?inline.*

[10] *See In re Aiken County,* 725 F.3d 255, 259 (D.C. Cir. 2013) (Kavanaugh, J.) (''If the President has a constitutional objection to a statutory mandate or prohibition, the President may decline to follow the law unless and until a final Court order dictates otherwise. . . . [This] basic constitutional principle[ ] appl[ies] to the President and subordinate executive agencies.''); Office of Legal Counsel Opinion, *Presidential Authority to Decline to Execute Unconstitutional Statutes,* 18 U.S. Op. Off. Legal Counsel 199 (1994).

reliance interests do not justify continuing to implement presumptions that DOT and DOJ have determined are unconstitutional.

• *Certification burden.* As the burden of production and persuasion shifts away from certifying officials to individual applicants, certifying agencies may experience increased numbers of intake inquiries and clarification requests as applicants navigate the new social disadvantage requirements, or face inconsistent application quality, especially during the transition period. This would require certifying agencies to spend time following up with applicants and guiding them through the application as they go through the re-certification process, which implicates certifying agencies' reliance interests. In the short-term, the increase in workload and support services on certifying agencies may temporarily elevate the demands on the recipients' staff demands or delay determinations, which could at least partially offset any cost savings from shifting this burden to applicants. However, in the long run, it is expected that after the initial review of each applicant, subsequent reviews of applicants will require minimal agency time and will not implicate agencies' reliance interests.

• *Reevaluation of all affected DBEs/ACDBEs.* DBE/ACDBE participants who have previously qualified based in whole or in part on their race or sex will incur additional costs to develop and provide the individualized narrative required by the IFR. In addition, all firms will temporarily lose certifications until the reevaluation process is complete, and some firms may lose the certifications that currently lead to opportunities for them to participate, potentially leading to a loss of business opportunities and implicating firms' reliance interests (though this would be offset by other firms who face increased access to the same opportunities). Additional administrative burdens will also fall on certifiers (UCPs) performing the reevaluations. This could also lead to delays in goal setting and program participation, resulting from the temporary pause in counting DBE participation while the reevaluation process is underway.

• *Clarified disparity study expectations.* The rule requires that disparity studies include detailed capacity analyses, which may necessitate additional economic modeling, data collection, and expert analysis beyond what is standard practice in many jurisdictions. These requirements could increase costs, particularly for large or multi-jurisdictional studies. While such studies are episodic rather than annual, the enhanced methodology could impose non-trivial compliance costs when undertaken.

• *Elimination of race/sex reporting in bidder lists.* The removal of demographic fields from bidder list reporting will reduce the administrative burden of data entry for participants and recipients, though the cost impact would likely be negligible.

• *Terminology changes and redefinitions.* These changes update program language to reflect constitutional terminology but do not alter administrative procedures or eligibility. The impact is purely semantic and is not expected to have any material cost impacts.

Quantified Costs: Information Collection Burden (Paperwork Reduction Act)

In addition to the above qualitative costs, the Department has quantified a portion of the expected compliance burdens as part of its Paperwork Reduction Act (PRA) package of the rule. These burdens represent the time and resources required to prepare, submit, and review program-related information.

Requirement	Estimated cost burden	Timing
Certification narratives (firms)	$91.9 million	One-time.
UCP reevaluations	$3.4 million	One-time.
Interstate certification	$0.46 million	One-time.
Bidders' list reporting	$1.24 million	Annual.
ACDBE annual report	$0.58 million	Annual.
Goal setting (disparity studies)	$0.46 million (annual cost)	Every three years.

These figures reflect fully loaded labor costs consistent with the Bureau of Labor Statistics data and DOT's standard methodology. One-time burdens primarily reflect transaction costs related to individualized certification requirements, while recurring burdens are associated with ongoing reporting and program administration. Overall, the IFR's primary quantified costs are transitional and one-time, totaling approximately $95 million, with recurring annualized burdens of about $1.8 million.

Benefits

With respect to benefits, the IFR will enhance constitutional compliance and reduce risks associated with constitutional litigation. It may also improve public trust by reinforcing fairness in eligibility determinations, which, although not easily quantifiable, represent important benefits from improved program integrity.

B. Executive Order 14192 (''Unleashing Prosperity Through Deregulation'')

This interim final rule is considered an E.O. 14219 deregulatory action because the unquantified cost-savings associated with constitutional compliance outweigh the quantified costs.

C. Executive Order 13132 (''Federalism'')

This IFR has been analyzed in accordance with the principles and criteria contained in Executive Order 13132 (''Federalism''), and the rule satisfies the requirements of the Executive Order. While the rule may include provisions that impose substantial direct compliance costs on State and local governments, the Department has determined that consultation with State and local governments prior to promulgation of the rule is not practicable given the urgent need to cure constitutional infirmities with the existing DBE and ACDBE regulations. These changes are required not by statute, but to ensure that the DBE and ACDBE programs do not violate the U.S. Constitution. We seek comment from State and local governments on these burdens during the comment period for this IFR.

D. Executive Order 13175 (''Consultation and Coordination With Indian Tribal Governments'')

This rulemaking has been analyzed in accordance with the principles and criteria contained in Executive Order 13175 (''Consultation and Coordination with Indian Tribal Governments''). Because this rulemaking does not significantly or uniquely affect the communities of the Indian Tribal

governments or impose substantial direct compliance costs on them, the funding and consultation requirements of Executive Order 13175 do not apply.

E. Unfunded Mandates Reform Act

The Unfunded Mandates Reform Act (UMRA) of 1995 (Pub. L. 104–4) requires agencies to prepare a written assessment of the costs, benefits, and other effects of proposed or final rules that include a Federal mandate likely to result in expenditures by State, local, or tribal governments, in the aggregate, or by the private sector, of more than $100 million annually (adjusted annually for inflation with the base year of 1995). This rulemaking would not result in annual State expenditures exceeding the minimum threshold. The Department has determined that the requirements of the Title II of the Unfunded Mandates Reform Act of 1995 therefore do not apply to this rulemaking.

F. National Environmental Policy Act

The Department has analyzed the environmental impacts of this action pursuant to the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321 *et seq.*) and has determined that it is categorically excluded pursuant to DOT Order 5610.1D, available at *https://www.transportation.gov/mission/dots-procedures-considering-environmental-impacts.* Categorical exclusions are actions identified in an agency's NEPA implementing procedures that do not normally have a significant impact on the environment and therefore do not require either an environmental assessment (EA) or environmental impact statement (EIS). The purpose of this rulemaking is to amend the Department's DBE and ACDBE regulations. Section 9(f) of DOT Order 5610.1D states that a DOT Operating Administration can use the categorical exclusions developed by another Operating Administration. This action is covered by the categorical exclusion listed in the Federal Transit Administration's implementing procedures, ''[p]lanning and administrative activities that do not involve or lead directly to construction, such as: . . . promulgation of rules, regulations, directives . . .'' 23 CFR 771.118(c)(4). In analyzing the applicability of a categorical exclusion, the agency must also consider whether extraordinary circumstances are present that would warrant the preparation of an EA or EIS. The Department does not anticipate any environmental impacts, and there are no extraordinary circumstances present in connection with this rulemaking.

G. Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA) of 1980 (5 U.S.C. 601 *et seq.*) requires agencies to evaluate the potential effects of their proposed and final rules on small businesses, small organizations, and small governmental jurisdictions. Whenever an agency is required by 5 U.S.C. 553, or any other law, to publish general notice of proposed rulemaking for any proposed rule, the agency must conduct and publish for public comment a regulatory flexibility analysis. Because the Department is not required to publish a proposed rulemaking for this action, an analysis under the RFA is not required.

H. Paperwork Reduction Act

The Paperwork Reduction Act (PRA) of 1995 (Pub. L. 104–13, 49 U.S.C. 3501, 3507) requires Federal agencies to obtain approval from the Office of Management and Budget (OMB) before undertaking a new collection of information imposed on ten or more persons, or continuing a collection previously approved by OMB that is set to expire.

This IFR modifies existing collection instruments in both parts 23 and 26. The following is a description of the sections that contain new and modified information collection requirements, along with the estimated hours and cost to fulfill them.

For purposes of estimating the cost burden on recipients, the State government wage rate was taken from the Bureau of Labor and Statistics (BLS) estimate of median wages for employees in the category of ''Eligibility Interviewer in Government Programs'' (OEWS Designation 43–4061). For the purpose of calculating loaded wage rates, these burden estimates assume wages represent 61.9 percent of total compensation, which is consistent with similar loaded wage rate estimates identified by BLS and used by DOT for related purposes. Because wages represent 61.9 percent of total compensation, the appropriate cost multiplier is 1.62 (1/0.619). Accordingly, the wage rate ($25.95) is multiplied by 1.62 to get a fully loaded hourly wage rate of $42.04 to account for the cost of employer-provided benefits.

For purposes of estimating the cost burden on applicant and certified DBE/ACDBE firms, the wage rate was taken from the BLS estimate of median wages for individuals in the category of ''Cross-industry, Private Ownership Only'' (OEWS Designation 00–0001). Using the same loaded wage rate identified above, the wage rate for DBE/ACDBE applicant firms ($69.20) is multiplied by 1.62 to get a fully loaded hourly wage rate of $112.10 to account for the cost of employer-provided benefits. The Department emphasizes that many of these hour and cost burdens are one-time burdens as a result of the change in the DBE certification eligibility requirements. After the initial transition to the new requirements, increases in annual burdens will be modest. For DOT recipients, reporting burdens are expected to decrease as a result of reduced DBE/ACDBE reporting requirements.

i. Reapplication Review for DBE/ACDBE Certification Based on Individualized Showing of Social Disadvantage

To satisfy the social and economic disadvantage (SED) requirement and ensure all determinations of disadvantage are not based in whole or in part on race or sex, an owner must provide the certifier a Personal Narrative (PN) that establishes the existence of disadvantage by a preponderance of the evidence based on individualized proof regarding specific instances of economic hardship, systemic barriers, and denied opportunities that impeded the owner's progress or success in education, employment, or business, including obtaining financing on terms available to similarly situated persons who did not face barriers in obtaining terms.

The PN must state how and to what extent the impediments caused the owner economic harm, including a full description of type and magnitude, and must establish the owner is economically disadvantaged in fact relative to similarly situated non-disadvantaged individuals.

The owner must attach to the PN a current personal net worth (PNW) statement and any other financial information the owner considers relevant. The total annual burden hours below were calculated based on the average of three stakeholder responses ranging from 240–2,000 hours. The total annual cost burden was calculated based on one stakeholder response of $80,000.

In preparing this estimate, DOT estimated a 10 percent decrease in the number of currently certified firms who will submit documentation to maintain their DBE/ACDBE decertification status. DOT also assumed a 50 percent reduction in the total burden hours compared to the pre-existing estimated burden for completing the full Uniform Certification Application (UCA), as firms will be able to use many of their other existing certification documents for resubmission.

Respondents: Firms seeking to maintain their DBE/ACDBE certification.
Estimated Number of Respondents: 41,000.
Frequency: One time per respondent.
Total Annual Burden Hours: 820,000 (one-time burden).
Total Annual Cost Burden: $91,922,000 (one-time burden).

ii. Unified Certification Program (UCP) Reevaluation of Applications for DBE/ACDBE Certification Based on Individualized Showing of Social Disadvantage

UCPs will need to reevaluate DBE/ACDBE applicant firms based on updated submission of application materials, including the PN and PNW statement. This estimate assumes an average burden of two hours to complete a review and make a disposition for each DBE/ACDBE certification application, including notifications to other jurisdictions.
Respondents: UCPs.
Estimated Number of Respondents: 53.
Frequency: One-time reevaluation of 41,000 applicant firms.
Total Annual Burden Hours: 82,000 (one-time burden).
Total Annual Cost Burden: $3,447,280 (one-time cost).

iii. Maintaining and Updating Bidders' Lists

We estimate that recipients will experience a reduced burden to implement 49 CFR 26.11 as a result of eliminating the race- and sex-based reporting requirements for bidders' lists, in addition to eliminating the requirement to report data related to applications for and determinations of individualized social and economic disadvantage.
Respondents: FAA, FHWA, and FTA funding recipients.
Estimated Number of Respondents: 1,639.
Frequency: 3 times per year.
Total Annual Burden Hours: 29,502.
Total Annual Cost Burden: $1,240,264.

iv. ACDBE Annual Report of Percentages of ACDBEs in Various Categories

We estimate that FAA airport recipients will experience a reduced burden to implement 49 CFR 26.11 as a result of eliminating the race- and sex-based reporting requirements for bidders' lists, in addition to eliminating the requirement to report data related to applications for and determinations of individualized social and economic disadvantage.
Respondents: State Departments of Transportation, District of Columbia, U.S. Virgin Islands, and Puerto Rico.
Estimated Number of Respondents: 53.
Frequency: Once per year.
Total Annual Burden Hours: 13,780.
Total Annual Cost Burden: $579,311.

v. Setting Overall Goals for DBE Participation in DOT-Assisted Contracts

The Department estimates a modest increase in burden for setting overall DBE goals as a result of the transition to the new DBE certification requirements and enhanced expectations related to disparity studies used in setting overall goals. These changes may result in increases in the amount of time for recipients to set goals based on the relative availability of certified DBEs.
Respondents: DOT funding recipients.
Estimated Number of Respondents: 1,639.
Frequency: Once every three years.
Total Annual Burden Hours: 10,927.
Total Annual Cost Burden: $459,371.

vi. Providing Evidence of Certification to an Additional State When a Firm Certified in Its Home State Applies to Another State for Certification (Interstate Certification)

The Department estimates a one-time increase in the burden for firms to provide evidence of certification to an additional State when a firm certified in its home State applies to another State for certification.
Respondents: DBE/ACDBE firms applying for interstate certification.
Estimated Number of Respondents: 4,100.
Frequency: Once.
Total Annual Burden Hours: 4,100.
Total Annual Cost Burden: $459,610 (one-time cost).

As noted in the Costs and Benefits section of this analysis, these burden hour and cost estimates have been incorporated into the Department's overall assessment of regulatory costs.

Notwithstanding any other provision of law, no person is required to respond to a collection of information unless that collection displays a valid OMB control number.

I. Congressional Review Act

The Congressional Review Act, 5 U.S.C. 801 *et seq.,* generally provides that before a rule may take effect, the agency promulgating the rule must submit a rule report, which includes a copy of the rule, to each House of the Congress and to the Comptroller General of the United States. DOT will submit a report containing this rule and other required information to the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the United States. This rule does not constitute a major rule as defined in 5 U.S.C. 804(2).

List of Subjects in 49 CFR Parts 23 and 26

Administrative practice and procedure, Airports, Civil rights, Government contracts, Grant programs—transportation, Mass transportation, Minority businesses, Reporting and recordkeeping requirements.

Sean P. Duffy,
Secretary of Transportation.

For the reasons stated in the preamble, the Department of Transportation amends 49 CFR parts 23 and 26 as follows:

PART 23—PARTICIPATION OF DISADVANTAGED BUSINESS ENTERPRISE IN AIRPORT CONCESSIONS

■ 1. The authority for part 23 continues to read as follows:

Authority: 49 U.S.C. 47107 and 47113; 42 U.S.C. 2000d; 49 U.S.C. 322; E.O. 12138, 44 FR 29637, 3 CFR, 1979 Comp., p. 393.

■ 2. Amend § 23.1 by revising paragraph (c) to read as follows:

§ 23.1 What are the objectives of this part?

* * * * *

(c) To ensure that the Department's ACDBE program operates in a nondiscriminatory manner and without regard to race or sex, while maximizing efficiency of service;

* * * * *

■ 3. Amend § 23.3 as follows:
■ a. Add definitions for ACDBE-conscious and ACDBE-neutral in alphabetical order;
■ b. Remove the definitions of Race-conscious and Race-neutral; and
■ c. Revise the definition of Socially and economically disadvantaged individual.

The additions and revisions read as follows:

§ 23.3 What do the terms used in this part mean?

ACDBE-conscious measure or program is one that is focused specifically on assisting only ACDBEs.

ACDBE-neutral measure or program is one that is, or can be, used to assist all small business concerns.

* * * * *

Socially and economically disadvantaged individual means any individual who is a citizen (or lawfully admitted permanent resident) of the United States and who a certifier finds to be socially and economically

disadvantaged on a case-by-case basis. A determination that an individual is socially and economically disadvantaged must not be based in whole or in part on race or sex. For that reason, applicants may qualify as socially and economically disadvantaged only if they can meet the relevant criteria described in § 26.67.

* * * * *

■ 4. Amend § 23.25 as follows:

■ a. Revise the introductory text of paragraphs (d) and (e); and

■ b. Add paragraph (h).

The revisions read as follows:

§ 23.25 What measures must recipients include in their ACDBE programs to ensure nondiscriminatory participation of ACDBEs in concessions?

* * * * *

(d) Your ACDBE program must include ACDBE-neutral measures that you will take. You must maximize the use of ACDBE-neutral measures, obtaining as much as possible of the ACDBE participation needed to meet overall goals through such measures. These are responsibilities that you directly undertake as a recipient, in addition to the efforts that concessionaires make, to obtain ACDBE participation. The following are examples of ACDBE-neutral measures you can implement:

* * * * *

(e) Your ACDBE program must also provide for the use of ACDBE-conscious measures when ACDBE-neutral measures, standing alone, are not projected to be sufficient to meet an overall goal. The following are examples of ACDBE-conscious measures you can implement:

* * * * *

(h) Effective October 3, 2025, you may not use any of the measures described in paragraph (e) of this section until the UCP that covers you has completed the reevaluation process described in § 23.81.

■ 5. Amend § 23.26 by revising paragraphs (b) introductory text, (b)(1), (d)(5), and (e) to read as follows:

§ 23.26 Fostering small business participation.

* * * * *

(b) This element must be submitted to the FAA for approval as a part of your ACDBE program. As part of this program element, you may include, but are not limited to including, the following strategies:

(1) Establish an ACDBE-neutral small business set-aside for certain concession opportunities. Such a strategy would include the rationale for selecting small business set-aside concession opportunities that may include consideration of size and availability of small businesses to operate the concession.

* * * * *

(d) * * *

(5) You will take aggressive steps to encourage those socially and economically disadvantaged firms eligible for ACDBE certification to become certified; and

* * * * *

(e) A State, local, or other program, in which eligibility requires satisfaction of race, sex, or other criteria in addition to business size, may not be used to comply with the requirements of this part.

* * * * *

§ 23.27 [Amended]

■ 6. Amend § 23.27 as follows:

■ a. Remove paragraph (c)(2)(iv);

■ b. Redesignate paragraphs (c)(2)(v), (c)(2)(vi), and (c)(2)(vii) as paragraphs (c)(2)(iv), (c)(2)(v), and (c)(2)(vi), respectively;

■ c. Remove paragraph (d)(1);

■ d. Redesignate subparagraphs (d)(2), (d)(3), and (d)(4) as paragraphs (d)(1), (d)(2), and (d)(3), respectively; and

■ e. Remove paragraphs (d)(5) and (d)(6).

■ 7. Amend § 23.41 by revising paragraph (d) to read as follows:

§ 23.41 What is the basic overall goal requirement for recipients?

* * * * *

(d) Effective October 3, 2025, you are not required to update your overall goals until the UCP that covers you has completed the reevaluation process described in § 23.81.

* * * * *

■ 8. Amend § 23.43 by revising paragraph (b) to read as follows:

§ 23.43 What are the consultation requirements in the development of recipients' overall goals?

* * * * *

(b) Stakeholders with whom you must consult include, but are not limited to, business groups, community organizations, trade associations representing concessionaires currently located at the airport, as well as existing concessionaires themselves, and other officials or organizations that could be expected to have information concerning the availability of disadvantaged businesses and the recipient's efforts to increase participation of ACDBEs.

* * * * *

■ 9. Amend § 23.45 by revising paragraphs (f), (g), and (h) to read as follows:

§ 23.45 What are the requirements for submitting overall goal information to the FAA?

* * * * *

(f) Your submission must include your projection of the portions of your overall goals you propose to meet through use of ACDBE-neutral and ACDBE-conscious means, respectively, and the basis for making this projection (see § 23.51(d)(5)).

(g) FAA may approve or disapprove the way you calculated your goal, including your ACDBE-neutral/ACDBE-conscious ''split,'' as part of its review of your plan or goal submission. Except as provided in paragraph (h) of this section, the FAA does not approve or disapprove the goal itself (*i.e.,* the number).

(h) If the FAA determines that your goals have not been correctly calculated or the justification is inadequate, the FAA may, after consulting with you, adjust your overall goal or ACDBE-neutral/ACDBE-conscious ''split.'' The adjusted goal represents the FAA's determination of an appropriate overall goal for ACDBE participation in the recipient's concession program, based on relevant data and analysis. The adjusted goal is binding.

* * * * *

■ 10. Amend § 23.51 as follows:

■ a. Revise the introductory text of paragraph (a);

■ b. Revise paragraph (a)(2);

■ c. Revise paragraph (c)(3); and

■ d. Revise paragraph (d)(5).

The revisions read as follows:

§ 23.51 How are a recipient's overall goals expressed and calculated?

(a) Your objective in setting a goal is to estimate the percentage of the base calculated under §§ 23.47 through 23.49 that would be performed by ACDBEs in the absence of social and economic disadvantage and its effects.

* * * * *

(2) In conducting this goal setting process, you are determining the extent, if any, to which the firms in your market area have been impacted by social and economic disadvantage in connection with concession opportunities or related business opportunities.

* * * * *

(c) * * *

(3) Use data from a disparity study. Use a percentage figure derived from data in a valid, applicable disparity study. Any disparity study utilized must

provide a detailed capacity analysis, including the methodology used.

* * * * *

(d) * * *

(5) Among the information you submit with your overall goal (see § 23.45(e)), you must include description of the methodology you used to establish the goal, including your base figure and the evidence with which it was calculated, as well as the adjustments you made to the base figure and the evidence relied on for the adjustments. You should also include a summary listing of the relevant available evidence in your jurisdiction and an explanation of how you used that evidence to adjust your base figure. You must also include your projection of the portions of the overall goal you expect to meet through ACDBE-neutral and ACDBE-conscious measures, respectively (see §§ 26.51(c) of this chapter).

* * * * *

■ 11. Amend § 23.53 by adding paragraph (g) to read as follows:

§ 23.53 How do car rental companies count ACDBE participation toward their goals?

* * * * *

(g) Effective October 3, 2025, you as a car rental company may not count any ACDBE participation toward the goal that an airport has set for you until the UCP covering that airport has completed the reevaluation process described in part 26, § 23.81

■ 12. Amend § 23.55 by adding paragraph (m) to read as follows:

§ 23.55 How do recipients count ACDBE participation toward goals for items other than car rentals?

* * * * *

(m) Effective October 3, 2025, you may not count any ACDBE participation toward ACDBE goals until the UCP covering you has completed the reevaluation process described in § 23.81.

■ 13. Amend § 23.57 as follows:

■ a. Revise paragraphs (b)(4) and (c); and

■ b. Add paragraph (d).

The revision and addition read as follows:

§ 23.57 What happens if a recipient falls short of meeting its overall goals?

* * * * *

(b) * * *

(4) The FAA may impose conditions on the recipient as part of its approval of the recipient's analysis and corrective actions including, but not limited to, modifications to your overall goal methodology, changes in your ACDBE-neutral/ACDBE-conscious split, or the introduction of additional ACDBE-neutral or ACDBE-conscious measures.

* * * * *

(c) If information coming to the attention of FAA demonstrates that current trends make it unlikely that you, as an airport, will achieve ACDBE awards and commitments that would be necessary to allow you to meet your overall goal at the end of the fiscal year, FAA may require you to make further good faith efforts, such as modifying your ACDBE-conscious/ACDBE-neutral split or introducing additional ACDBE-neutral or ACDBE-conscious measures for the remainder of the fiscal year.

(d) Effective October 3, 2025, you are not subject to this section until the UCP that covers you has completed the reevaluation process described in § 23.81.

■ 14. Add § 23.81 to subpart E to read as follows:

§ 23.81 ACDBE reevaluation process.

(a) Effective October 3, 2025, each UCP must:

(1) Identify each currently certified ACDBE;

(2) Provide each firm identified pursuant to paragraph (a)(1) of this section with the opportunity to submit documentation demonstrating its ACDBE eligibility under the standards set forth in this part;

(3) Determine whether each firm identified pursuant to paragraph (a)(1) of this section meets the ACDBE eligibility standards set forth in this part; and

(4) Issue a written decision to each firm reevaluated pursuant to subparagraph (a)(3), indicating that it has either been recertified or is decertified.

(b) The provisions of § 26.87 of this chapter shall not apply to any action taken pursuant to paragraph (a) of this section.

(c) Each UCP must reevaluate each firm identified pursuant to paragraph (a)(1) of this section as quickly as practicable and must promptly notify the Department when it has done so. The Department reserves the right to review a UCP's reevaluation process.

PART 26—PARTICIPATION BY DISADVANTAGED BUSINESS ENTERPRISES IN DEPARTMENT OF TRANSPORTATION FINANCIAL ASSISTANCE PROGRAMS

■ 15. The authority for part 26 continues to read as follows:

Authority: 23 U.S.C. 304 and 324; 42 U.S.C. 2000d, *et seq.;* 49 U.S.C. 47113, 47123; Sec. 1101(b), Pub. L. 114–94, 129 Stat. 1312, 1324 (23 U.S.C. 101 note); Sec. 150, Pub. L. 115–254, 132 Stat. 3215 (23 U.S.C. 101 note); Pub. L. 117–58, 135 Stat. 429 (23 U.S.C. 101 note).

■ 16. Amend § 26.1 by revising paragraph (c) to read as follows:

§ 26.1 What are the objectives of this part?

* * * * *

(c) To ensure that the Department's DBE program operates in a nondiscriminatory manner and without regard to race or sex, while maximizing efficiency of service;

* * * * *

■ 17. Amend § 26.5 as follows:

■ a. Add definitions for DBE-conscious and DBE-neutral in alphabetical order;

■ b. Remove the definitions of Race-conscious and Race-neutral; and

■ c. Revise the definition of Socially and economically disadvantaged individual.

The addition and revision read as follows:

§ 26.5 Definitions.

* * * * *

DBE-conscious measure or program is one that is focused specifically on assisting only DBEs.

DBE-neutral measure or program is one that is, or can be, used to assist all small businesses.

* * * * *

Socially and economically disadvantaged individual means any individual who is a citizen (or lawfully admitted permanent resident) of the United States and who a certifier finds to be socially and economically disadvantaged on a case-by-case basis. A determination that an individual is socially and economically disadvantaged must not be based in whole or in part on race or sex. For that reason, all applicants shall qualify as socially and economically disadvantaged if they can meet the relevant criteria described in § 26.67. Being born in a particular country does not, standing alone, mean that a person is necessarily socially and economically disadvantaged.

* * * * *

§ 26.11 [Amended]

■ 18. Amend § 26.11 as follows:

■ a. Remove paragraph (c)(2)(iv);

■ b. Redesignate paragraphs (c)(2)(v), (c)(2)(vi), and (c)(2)(vii) as subparagraphs (c)(2)(iv), (c)(2)(v), and (c)(2)(vi), respectively;

■ c. Remove paragraph (e)(1);

■ d. Redesignateparagraphs (e)(2), (e)(3), and (e)(4) as paragraphs (e)(1), (e)(2), and (e)(3), respectively; and

■ e. Remove paragraphs (e)(5) and (e)(6).

■ 19. Amend § 26.37 by revising paragraph (b) to read as follows:

§ 26.37 What are a recipient's responsibilities for monitoring?

* * * * *

(b) A recipient's DBE program must also include a monitoring and enforcement mechanism to ensure that work committed, or in the case of DBE-neutral participation, the work subcontracted, to all DBEs at contract award or subsequently is performed by the DBEs to which the work was committed or subcontracted to, and such work is counted according to the requirements of § 26.55. This mechanism must include a written verification that you have reviewed contracting records and monitored the work site to ensure the counting of each DBE's participation is consistent with its function on the contract. The monitoring to which this paragraph (b) refers may be conducted in conjunction with monitoring of contract performance for other purposes such as a commercially useful function review.

* * * * *

■ 20. Amend § 26.39 by revising paragraphs (b)(1) and (b)(5) to read as follows:

§ 26.39 Fostering small business participation.

* * * * *

(b) * * *

(1) Establishing a DBE-neutral small business set-aside for prime contracts under a stated amount (*e.g.,* $1 million).

* * * * *

(5) To meet the portion of your overall goal you project to meet through DBE-neutral measures, ensuring that a reasonable number of prime contracts are of a size that small businesses, including DBEs, can reasonably perform.

* * * * *

■ 21. Amend § 26.45 as follows:
■ a. Revise paragraph (a)(2);
■ b. Revise paragraph (b);
■ c. Revise paragraph (c)(3);
■ d. Revise paragraph (d)(1)(ii);
■ e. Revise paragraph (d)(3);
■ f. Revise paragraph (f)(3);
■ g. Revise paragraph (g)(1); and
■ h. Revise paragraph (h);

The revisions read as follows:

§ 26.45 How do recipients set overall goals?

(a) * * *

(2) If you are an FTA Tier II recipient who intends to operate a DBE-neutral program, or if you are an FAA recipient who reasonably anticipates awarding $250,000 or less in FAA prime contract funds in a Federal fiscal year, you are not required to develop overall goals for FTA or FAA, respectively, for that Federal fiscal year.

(b) Your overall goal must be based on demonstrable evidence of the availability of ready, willing, and able DBEs relative to all businesses ready, willing, and able to participate on your DOT-assisted contracts (hereafter, the ''relative availability of DBEs''). The goal must reflect your determination of the level of DBE participation you would expect absent the effects of social and economic disadvantage. You cannot simply rely on either the 10 percent national goal, your previous overall goal, or past DBE participation rates in your program without reference to the relative availability of DBEs in your market.

(c) * * *

(3) Use data from a disparity study. Use a percentage figure derived from data in a valid, applicable disparity study. Any disparity study utilized must provide a detailed capacity analysis, including the methodology used.

* * * * *

(d) * * *

(1) * * *

(ii) Evidence from disparity studies conducted anywhere within your jurisdiction, to the extent it is not already accounted for in your base figure. To the extent that the disparity study provides a detailed capacity analysis, include the methodology used;

* * * * *

(3) If you attempt to make an adjustment to your base figure to account for the effects of an ongoing DBE program, the adjustment must be based on demonstrable evidence that is logically and directly related to the effect for which the adjustment is sought.

* * * * *

(f) * * *

(3) You must include with your overall goal submission a description of the methodology you used to establish the goal, including your base figure and the evidence with which it was calculated, and the adjustments you made to the base figure and the evidence you relied on for the adjustments. You should also include a summary listing of the relevant available evidence in your jurisdiction and, where applicable, an explanation of why you did not use that evidence to adjust your base figure. You must also include your projection of the portions of the overall goal you expect to meet through DBE-neutral and DBE-conscious measures, respectively (*see* § 26.51(c)).

* * * * *

(g)(1) In establishing an overall goal, you must provide for consultation and publication. This includes:

(i) Consultation with general contractor groups, community organizations, and other officials or organizations that could be expected to have information concerning the availability of disadvantaged and non-disadvantaged businesses and your efforts to establish a level playing field for the participation of DBEs. The consultation must include a scheduled, direct, interactive exchange (*e.g.,* a face-to-face meeting, video conference, teleconference) with as many interested stakeholders as possible focused on obtaining information relevant to the goal setting process, and it must occur before you are required to submit your methodology to the operating administration for review pursuant to paragraph (f) of this section. You must document in your goal submission the consultation process you engaged in. Notwithstanding paragraph (f)(4) of this section, you may not implement your proposed goal until you have complied with this requirement.

(ii) A published notice announcing your proposed overall goal before submission to the operating administration on August 1st. The notice must be posted on your official internet website and may be posted in any other sources (*e.g.,* trade association publications). If the proposed goal changes following review by the operating administration, the revised goal must be posted on your official internet website.

* * * * *

(h) Effective October 3, 2025you are not required to update your overall goals until the UCP that covers you has completed the reevaluation process described in § 26.111.

■ 22. Amend § 26.47 as follows:
■ a. Revise paragraph (c)(4);
■ b. Revise paragraph (d); and
■ c. Add paragraph (e).

§ 26.47 Can recipients be penalized for failing to meet overall goals?

* * * * *

(c) * * *

(4) FHWA, FTA, or FAA may impose conditions on the recipient as part of its approval of the recipient's analysis and corrective actions including, but not limited to, modifications to your overall goal methodology, changes in your DBE-conscious/DBE-neutral split, or the introduction of additional DBE-neutral or DBE-conscious measures.

* * * * *

(d) If, as recipient, your Uniform Report of DBE Awards or Commitments and Payments or other information coming to the attention of FTA, FHWA, or FAA, demonstrates that current

trends make it unlikely that you will achieve DBE awards and commitments that would be necessary to allow you to meet your overall goal at the end of the fiscal year, FHWA, FTA, or FAA, as applicable, may require you to make further good faith efforts, such as by modifying your DBE-conscious/DBE-neutral or introducing additional DBE-neutral or DBE-conscious measures for the remainder of the fiscal year.

(e) Effective October 3, 2025, you are not subject to this section until the UCP that covers you has completed the reevaluation process described in § 26.111.

■ 23. Amend § 26.51 as follows:
■ a. Revise paragraph (a);
■ b. Revise the introductory text to paragraph (b);
■ c. Revise paragraph (c);
■ d. Revise paragraph (d);
■ e. Revise paragraph (e)(2);
■ f. Revise paragraph (f);
■ g. Revise paragraph (g); and
■ h. Add paragraph (h).

The revisions read as follows:

§ 26.51 What means do recipients use to meet overall goals?

(a) You must meet the maximum feasible portion of your overall goal by using DBE-neutral means of facilitating DBE-neutral participation. DBE-neutral participation includes any time a DBE wins a prime contract through customary competitive procurement procedures or is awarded a subcontract on a prime contract that does not carry a DBE contract goal.

(b) DBE-neutral means include, but are not limited to, the following:

* * * * *

(c) Each time you submit your overall goal for review by the concerned operating administration, you must also submit your projection of the portion of the goal that you expect to meet through DBE-neutral means and your basis for that projection. This projection is subject to approval by the concerned operating administration, in conjunction with its review of your overall goal.

(d) You must establish contract goals to meet any portion of your overall goal you do not project being able to meet using DBE-neutral means.

* * * * *

(e) * * *

(2) You are not required to set a contract goal on every DOT-assisted contract. You are not required to set each contract goal at the same percentage level as the overall goal. The goal for a specific contract may be higher or lower than that percentage level of the overall goal, depending on such factors as the type of work involved, the location of the work, and the availability of DBEs for the work of the particular contract. However, over the period covered by your overall goal, you must set contract goals so that they will cumulatively result in meeting any portion of your overall goal you do not project being able to meet through the use of DBE-neutral means.

* * * * *

(f) To ensure that your DBE program continues to be narrowly tailored to overcome the effects of social and economic disadvantage, you must adjust your use of contract goals as follows:

(1) If your approved projection under paragraph (c) of this section estimates that you can meet your entire overall goal for a given year through DBE-neutral means, you must implement your program without setting contract goals during that year, unless it becomes necessary in order meet your overall goal.

Example 1 to paragraph (f)(1): Your overall goal for Year I is 12 percent. You estimate that you can obtain 12 percent or more DBE participation through DBE-neutral measures, without any use of contract goals. In this case, you do not set any contract goals for the contracts that will be performed in Year I. However, if part way through Year I, your DBE awards or commitments are not at a level that would permit you to achieve your overall goal for Year I, you could begin setting DBE-conscious contract goals during the remainder of the year as part of your obligation to implement your program in good faith.

(2) If, during any year in which you are using contract goals, you determine that you will exceed your overall goal, you must reduce or eliminate the use of contract goals to the extent necessary to ensure that the use of contract goals does not result in exceeding the overall goal. If you determine that you will fall short of your overall goal, then you must make appropriate modifications in your use of DBE-neutral or DBE-conscious measures to allow you to meet the overall goal.

Example 2 to paragraph (f)(2): In Year II, your overall goal is 12 percent. You have estimated that you can obtain 5 percent DBE participation through use of DBE-neutral measures. You therefore plan to obtain the remaining 7 percent participation through use of DBE goals. By September, you have already obtained 11 percent DBE participation for the year. For contracts let during the remainder of the year, you use contract goals only to the extent necessary to obtain an additional one percent DBE participation. However, if you determine in September that your participation for the year is likely to be only 8 percent total, then you would increase your use of DBE-neutral or DBE-conscious means during the remainder of the year in order to achieve your overall goal.

(3) If the DBE participation you have obtained by DBE-neutral means alone meets or exceeds your overall goals for two consecutive years, you are not required to make a projection of the amount of your goal you can meet using such means in the next year. You do not set contract goals on any contracts in the next year. You continue using only DBE-neutral means to meet your overall goals unless and until you do not meet your overall goal for a year.

Example 3 to paragraph (f)(3): Your overall goal for Years I and Year II is 10 percent. The DBE participation you obtain through DBE-neutral measures alone is 10 percent or more in each year. (For this purpose, it does not matter whether you obtained additional DBE participation through using contract goals in these years.) In Year III and following years, you do not need to make a projection under paragraph (c) of this section of the portion of your overall goal you expect to meet using DBE-neutral means. You simply use DBE-neutral means to achieve your overall goals. However, if in Year VI your DBE participation falls short of your overall goal, then you must make a paragraph (c) of this section projection for Year VII and, if necessary, resume use of contract goals in that year.

(4) If you obtain DBE participation that exceeds your overall goal in two consecutive years using contract goals (*i.e.,* not through DBE-neutral means alone), you must reduce your use of contract goals proportionately in the following year.

Example 4 to paragraph (f)(4): In Years I and II, your overall goal is 12 percent, and you obtain 14 and 16 percent DBE participation, respectively. You have exceeded your goals over the two-year period by an average of 25 percent. In Year III, your overall goal is again 12 percent, and your paragraph (c) of this section projection estimates that you will obtain 4 percent DBE participation through DBE-neutral means and 8 percent through contract goals. You then reduce the contract goal projection by 25 percent (*i.e.,* from 8 to 6 percent) and set contract goals accordingly during the year. If in Year III you obtain 11 percent participation, you do not use this contract goal adjustment mechanism for Year IV, because there have not been two consecutive years of exceeding overall goals.

(g) In any year in which you project meeting part of your goal through DBE-neutral means and the remainder through contract goals, you must maintain data separately on DBE achievements in those contracts with and without contract goals, respectively. You must report this data to the concerned operating administration as provided in § 26.11.

(h) Effective October 3, 2025, you may not set any contract goals until the UCP that covers you has completed the reevaluation process described in § 26.111.

■ 24. Amend § 26.55 by adding paragraph (i) to read as follows:

§ 26.55 How is DBE participation counted toward goals?

* * * * *

(i) Effective October 3, 2025, you may not count any DBE participation toward DBE goals until the UCP that covers you has completed the reevaluation process described in § 26.111.

■ 25. Amend § 26.61 by revising paragraph (b) to read as follows:

§ 26.61 Burden of proof.

* * * * *

(b) The firm has the burden of demonstrating, by a preponderance of the evidence, *i.e.,* more likely than not, that it satisfies all of the requirements in this subpart. In determining whether the firm has met its burden, the certifier must consider all the information in the record, viewed as a whole. In a decertification proceeding the certifier bears the burden of proving, by a preponderance of the evidence, that the firm is no longer eligible for certification under the rules of this part.

■ 26. Revise § 26.67 to read as follows:

§ 26.67 Social and economic disadvantage.

(a) Non-presumptive Disadvantage. All applicants must demonstrate social and economic disadvantage (SED) affirmatively based on their own experiences and circumstances within American society, and without regard to race or sex.

(1) To satisfy the SED requirement and ensure all determinations of disadvantage are not based in whole or in part on race or sex, an owner must provide the certifier a Personal Narrative (PN) that establishes the existence of disadvantage by a preponderance of the evidence based on individualized proof regarding specific instances of economic hardship, systemic barriers, and denied opportunities that impeded the owner's progress or success in education, employment, or business, including obtaining financing on terms available to similarly situated, non-disadvantaged persons.

(2) The PN must state how and to what extent the impediments caused the owner economic harm, including a full description of type and magnitude, and must establish the owner is economically disadvantaged in fact relative to similarly situated non-disadvantaged individuals.

(3) The owner must attach to the PN a current PNW statement and any other financial information he considers relevant.

■ 27. Add § 26.111 to subpart F to read as follows:

§ 26.111 DBE Reevaluation Process.

(a) Effective October 3, 2025, each UCP must:

(1) Identify each currently certified DBE;

(2) Provide each firm identified pursuant to subparagraph (a)(1) with the opportunity to submit documentation demonstrating its DBE eligibility under the standards set forth in this part;

(3) Determine whether each firm identified pursuant to subparagraph (a)(1) meets the DBE eligibility standards set forth in this part; and

(4) Issue a written decision to each firm reevaluated pursuant to subparagraph (a)(3), indicating that it has either been recertified or is decertified.

(b) The provisions of § 26.87 of this part shall not apply to any action taken pursuant to paragraph (a).

(c) Each UCP must reevaluate each firm identified pursuant to subparagraph (a)(1) as quickly as practicable and must promptly notify the Department when it has done so. The Department reserves the right to review a UCP's reevaluation process.

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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Parts 600 and 622

[Docket No. 250915–0853]

RIN 0648–BM94

Fisheries of the Caribbean, Gulf of America, and South Atlantic; Fishery Management Plans of Puerto Rico, St. Croix, and St. Thomas and St. John; Amendment 2

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Final rule.

SUMMARY: NMFS issues regulations to implement management measures described in Amendment 2 to the Fishery Management Plans (FMPs) for Puerto Rico, St. Croix, St. Thomas and St. John FMP (Amendment 2), as prepared by the Caribbean Fishery Management Council (Council). This final rule prohibits and restricts the use of certain net gear in U.S. Caribbean Federal waters and requires a descending device to be available and ready for use on vessels when fishing for federally managed reef fish species in U.S. Caribbean Federal waters. The purpose of this final rule and Amendment 2 is to protect habitats and species from the potential negative impacts associated with the use of certain net gear and to enhance the survival of released reef fish in U.S. Caribbean Federal waters.

DATES: This final rule is effective November 3, 2025, except for the revisions for §§ 622.437(a)(4), 622.477(a)(4), and 622.512(a)(4), which are effective April 1, 2026.

ADDRESSES: Electronic copies of Amendment 2, which includes a fishery impact statement, an environmental assessment, a regulatory impact review, and a Regulatory Flexibility Act (RFA) analysis, may be obtained from the Southeast Regional Office website at *https://www.fisheries.noaa.gov/action/amendment-2-puerto-rico-st-croix-and-st-thomas-and-st-john-fishery-management-plans-trawl.*

FOR FURTHER INFORMATION CONTACT: Maria Lopez-Mercer, NMFS Southeast Regional Office, 727–824–5305, *maria.lopez@noaa.gov.*

SUPPLEMENTARY INFORMATION: NMFS, with the advice of the Council, manages the Puerto Rico, St. Croix, and St. Thomas and St. John fisheries in U.S. Caribbean Federal waters under the Puerto Rico, St. Croix, and St. Thomas and St. John FMPs. The Council prepared the FMPs, which the Secretary of Commerce approved, and NMFS implements the FMPs through regulations at 50 CFR parts 600 and 622 under the authority of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act).

On August 27, 2024, NMFS published a notice of availability for Amendment 2 and requested public comment (89 FR 68572). On September 30, 2024, NMFS published a proposed rule for Amendment 2 and requested public comment (89 FR 79492). NMFS

approved Amendment 2 on November 26, 2024. The proposed rule and Amendment 2 outline the rationale for the actions contained in this final rule. A summary of the management measures described in Amendment 2 and implemented by this final rule is included.

Background

The Magnuson-Stevens Act requires NMFS and the regional fishery management councils to prevent overfishing and achieve, on a continuing basis, the optimum yield from federally managed fish stocks to ensure that fishery resources are managed for the greatest overall benefit to the Nation, particularly with respect to providing food production and recreational opportunities, and protecting marine ecosystems. The Magnuson-Stevens Act authorizes the Council and NMFS to regulate fishing activity to support the conservation and management of federally managed fisheries, which may include regulations that pertain to fishing for non-managed species (*i.e.,* species that are not managed under an FMP).

This action is taken under the statutory authority of the Magnuson-Stevens Act section 303(a)(1) as necessary and appropriate for the conservation and management of the fishery to prevent overfishing and to promote the long-term health and stability of the fishery.

On September 22, 2020, the Secretary of Commerce approved the Puerto Rico, St. Croix, and St. Thomas and St. John FMPs under section 304(a)(3) of the Magnuson-Stevens Act. The FMPs took effect on October 13, 2022, after NMFS published the final rule to implement the FMPs (87 FR 56204, September 13, 2022). Each FMP contains management measures applicable for Federal waters in the respective island management area, including allowable fishing gear and harvest methods for species managed under each FMP. Federal regulations at 50 CFR part 622, subparts S, T, and U describe management measures for Puerto Rico, St. Croix, and St. Thomas and St. John, respectively. Federal waters around Puerto Rico extend seaward from 9 nautical miles (nmi) or 16.7 kilometers (km) from shore to the offshore boundary of the U.S. Caribbean exclusive economic zone (EEZ). Federal waters around St. Croix and St. Thomas and St. John extend seaward from 3 nmi (5.6 km) from shore to the offshore boundary of the U.S. Caribbean EEZ.

In addition to regulations specific to each FMP, Federal regulations at 50 CFR 600.725(v) identify the fishing gear authorized for federally managed and non-federally managed fisheries of each fishery management council (see part V for the Caribbean Fishery Management Council). Employing fishing gear or engaging in fishing in a fishery that is not included on the list of authorized fisheries and authorized gear types is prohibited. However, an individual fisherman may notify the relevant Fishery Management Council of the intent to use a fishing gear or participate in a fishery that is not on the authorized list (50 CFR 600.725(v)). Ninety days after such notification to the Council, the individual may use such fishing gear or participate in the fishery unless regulatory action is taken to prohibit the use of the gear or participation in the fishery.

In Federal waters around Puerto Rico, St. Croix, and St. Thomas and St. John, gillnets are listed as an authorized gear type for the commercial federally managed and non-federally managed pelagic fisheries, as well as all other commercial non-federally managed fisheries located in U.S. Caribbean Federal waters. Trawl nets are listed as an authorized gear type for the commercial non-federally managed fisheries, other than the non-managed pelagic fisheries. Purse seines and trammel nets are not listed as authorized fishing gear for any fishery (managed or non-managed) in U.S. Caribbean Federal waters.

At its December 2021 meeting, the Council discussed prohibiting the use of trawl gear, trammel nets, purse seines, and gillnets for all fishing in U.S. Caribbean Federal waters as a precautionary approach to prevent potential negative impacts from the use of these fishing gear types on sensitive habitats present in U.S. Caribbean Federal waters and to eliminate the potential for bycatch associated with each of these types of fishing gear. During the development of Amendment 2, when considering the use of gillnet gear, the Council recommended restricting the use of gillnets such that it would only be allowed for fishing in non-managed fisheries to accommodate fishermen who use gillnet gear at the surface to catch baitfish.

Currently, gear-specific regulations in U.S. Caribbean Federal waters prohibit the use of gillnets and trammel nets in the federally managed reef fish and spiny lobster fisheries. These regulations require that any gillnet or trammel net used to fish for any other species must be tended at all times (50 CFR 622.437(a)(3) and (c)(2); 50 CFR 622.477(a)(3) and (c)(2); 50 CFR 622.512(a)(3) and (c)(2)). Gillnets and trammel nets are also prohibited for use year-round in the seven federally-managed seasonally closed areas: Puerto Rico—(1) Abrir La Sierra Bank (50 CFR 622.439(a)(1)(ii)), (2) Tourmaline Bank (50 CFR 622.439(a)(2)(ii)), (3) Bajo de Sico (50 CFR 622.439(a)(3)(ii)); U.S. Virgin Islands (USVI)—(4) Mutton Snapper Spawning Aggregation Area (50 CFR 622.479(a)(1)(ii)), (5) Red Hind Spawning Aggregation Area east of St. Croix (50 CFR 622.479(a)(2)(ii)), (6) Grammanik Bank (50 CFR 622.514(a)(1)(ii)), and (7) Hind Bank Marine Conservation District (50 CFR 622.514(a)(2)). Though trawl gear, trammel nets, purse seines, and gillnets are used infrequently, if at all, by commercial or recreational fishermen in Federal waters around Puerto Rico, St. Croix, or St. Thomas and St. John, the Council recommended being proactive in protecting marine resources and recommended regulatory action to prohibit or restrict the use of these fishing gear types in U.S. Caribbean Federal waters.

Currently, trawl gear, which includes bottom and mid-water trawls, is listed as an authorized fishing gear type for commercial non-federally managed fisheries, other than the non-managed pelagic fisheries under each FMP (part V of the table to 50 CFR 600.725(v)). As described in Amendment 2, there is no evidence that commercial fishermen use or have ever used trawl gear in Federal waters around any of the island management areas, except for limited exploratory research (*e.g.,* for commercial fishing purposes) conducted in the early 1900s.

As discussed, the use of trammel net gear is currently prohibited in the federally managed reef fish and spiny lobster fisheries in Federal waters around Puerto Rico, St. Croix, and St. Thomas and St. John. Trammel nets are not listed in part V of the table to 50 CFR 600.725(v) as an authorized fishing gear type in any managed or non-managed fisheries in Federal waters around Puerto Rico, St. Croix, and St. Thomas and St. John. As described in Amendment 2, some trammel net landings of non-managed species such as baitfish, have been reported from fisheries located in Federal waters around Puerto Rico. There is no evidence of the use of trammel nets in fisheries located in Federal waters around the USVI.

Similar to trammel net gear, purse seine is not identified in part V of the table to 50 CFR 600.725(v) as an authorized fishing gear type for any fishery in any of the island management areas. As discussed in Amendment 2, purse seines are not used in any fishery

located in Federal waters around Puerto Rico or the USVI.

As discussed in Amendment 2, the use of gillnets is prohibited in the federally managed reef fish and spiny lobster fisheries, and they are rarely used by commercial fishermen in non-managed fisheries in Federal waters around Puerto Rico, St. Croix, and St. Thomas and St. John due to depth and distance from the coast. However, gillnets are allowed and used in Puerto Rico territorial waters to fish for certain non-managed species, including baitfish. Gillnets are prohibited in USVI territorial waters, except for gillnets used at the surface for the harvest of certain species of baitfish.

In addition to impacts associated with the use of certain types of fishing gear discussed above, NMFS and the Council are concerned about the mortality of reef fish that are released after capture by commercial and recreational fishermen, particularly reef fish caught in Federal waters around Puerto Rico, St. Croix, and St. Thomas and St. John that experience injuries related to barotrauma. Barotrauma in fish is the rapid expansion of gases inside a fish as it is rapidly retrieved from depth. Barotrauma generally occurs when retrieving fish from depths of 90 feet (27.4 meters) or greater, though it can occur in waters as shallow as approximately 33 feet (10 meters) deep. Fishermen can help increase the survivability of released fish showing signs of barotrauma by using a descending device. A descending device lowers a fish back to a depth where internal gases recompress and the fish can be released unharmed. Descending devices are not currently required to be on any fishing vessels in U.S. Caribbean Federal waters.

Management Measures Contained in This Final Rule

This final rule (1) prohibits the use of trawls, trammel nets, and purse seines in all fisheries located in Federal waters around Puerto Rico, St. Croix, and St. Thomas and St. John, (2) prohibits the use of gillnets in federally-managed fisheries in Federal waters around Puerto Rico, St. Croix, and St. Thomas and St. John and restricts the use of gillnets in non-managed fisheries to a gillnet that meets specified requirements, and (3) requires a descending device to be available and ready for use on each fishing vessel when fishing in federally-managed reef fish fisheries located in Federal waters around Puerto Rico, St. Croix, and St. Thomas and St. John.

Trawl, Trammel Net, and Purse Seine Gear Prohibition

This final rule takes a precautionary approach to management, as recommended by the Council in Amendment 2 by preventing the future use of trawl, trammel net, and purse seine gear by any sector (*i.e.,* commercial and recreational) in any fishery (*i.e.,* managed and non-managed) located in Federal waters around Puerto Rico, St. Croix, and St. Thomas and St. John. With respect to non-managed fisheries, the Magnuson-Stevens Act gives the fishery management councils and NMFS authority to regulate fishing activity to support the conservation and management of fisheries, which can include regulations that pertain to non-managed fisheries. Through this precautionary action, NMFS seeks to prevent potential negative effects on habitats and species associated with the use of certain types of fishing gear.

Because this final rule prohibits the use of trawl, trammel net, and purse seine gear for all fishing in Federal waters around Puerto Rico, St. Croix, and St. Thomas and St. John, fishermen will not be able to petition the Council to use trawl, trammel net, and purse seine gear in Federal waters.

Gillnet Gear Prohibition and Restriction

This final rule prohibits the use of gillnets in all federally managed fisheries located in Federal waters around Puerto Rico, St. Croix, and St. Thomas and St. John. The final rule also restricts the use of gillnets in Federal waters around Puerto Rico, St. Croix, and St. Thomas and St. John to commercial non-managed fisheries only. In those commercial non-managed fisheries, gillnets may be used only so long as they meet the following specifications and requirements: (1) the gillnet mesh size must be exactly 0.75 inches (1.9 centimeters) square or 1.5 inches (3.8 centimeters) stretched; (2) one gillnet up to 600 feet (182.9 meters) in length is allowed on board a vessel; (3) the gillnet must be used 20 feet (6.1 meters) or more above the bottom; and (4) the gillnet must be tended at all times.

Due to the water depth and distance from the coast, the use of gillnets in the commercial non-managed fisheries located in Federal waters around Puerto Rico, St. Croix, and St. Thomas and St. John is minimal. This final rule establishes specific requirements for gillnets used in these fisheries to prevent or minimize potential negative ecological and biological effects (*e.g.,* bycatch of undersized individuals or protected species) and to prevent physical effects on habitats in the U.S. Caribbean Federal waters, which may occur if a gillnet is attached to or makes contact with the bottom. These specific gillnet requirements reflect how the gear is currently used by commercial fishermen in territorial waters around Puerto Rico and the USVI to harvest baitfish.

Descending Devices

This final rule requires that a descending device be on board a commercial or recreational vessel and be readily available for use while fishing for or possessing species of reef fish managed under the FMPs. The list of reef fish managed by the Council that will be affected by this final rule is included in each FMP and can be found in table 3 to 50 CFR 622.431 (Puerto Rico), table 2 to 50 CFR 622.471 (St. Croix), and table 2 to 50 CFR 622.506 (St. Thomas and St. John).

For this requirement, a descending device means an instrument that is attached to a minimum of 16-ounces (454-grams) of weight and length of line that will release the fish at the depth from which it was caught, or a minimum of 60 feet (18.3 meters). The descending device attaches to the fish's mouth or is a container that will hold the fish. The device must be capable of releasing the fish automatically, by the actions of the operator of the device, or by allowing the fish to escape on its own. Since minimizing surface time is critical to increasing survival, a descending device must be readily available for use while engaged in fishing for federally managed reef fish.

This final rule is effective 30 days after date of publication in the **Federal Register**, except that the effective date for the descending device requirement in U.S. Caribbean Federal waters will be 180 days after this final rule is published (see **DATES**). NMFS is delaying the implementation date for the descending device requirement (in §§ 622.437(a)(4), 622.477(a)(4), and 622.512(a)(4)) by 180 days to allow time for additional outreach and education activities specific to the requirement and for fishermen to obtain the required descending device consistent with this final rule.

Changes From the Proposed Rule

In addition to the net gear and descending device measures contained in Amendment 2, this final rule corrects an error from two previous NMFS rulemakings. On June 15, 2020, NMFS published in the **Federal Register** the final rule implementing Regulatory Amendment 29 to the FMP for the Snapper-Grouper Fishery of the South

Atlantic Region (Regulatory Amendment 29) (85 FR 36166). Additionally, on February 14, 2022, NMFS implemented regulations to clarify terms used in the Direct Enhancement of Snapper Conservation and the Economy through Novel Devices Act of 2020 (Descend Act), which requires commercial and recreational fishermen to have a descending device or a venting tool on the vessel and ready for use when fishing for federally-managed reef fish species in Gulf Federal waters (87 FR 2355, January 14, 2022). Each of the final rules included an incorrect metric conversion in the description of the descending device for the minimum length of line required, which was set at 60 ft in both rules. The metric conversion of 60 ft is and should have been stated as 18.3 m, but the final rule for Regulatory Amendment 29 and the final rule for the Descend Act clarifications incorrectly listed this conversion as 15.2 m in 50 CFR 622.188(a)(4) and 50 CFR 622.30 (c)(1)(ii), respectively. NMFS recently became aware of this inadvertent administrative metric conversion error after publishing the proposed rule for Amendment 2, which describes new descending device requirements for the U.S. Caribbean. This final rule corrects the metric conversion for 60 ft in both 50 CFR 622.188(a)(4) and 50 CFR 622.30(c)(1)(ii) by changing ''15.2'' to ''18.3 m''. Correcting these metric conversions is consistent with their implementing final rules, the subject FMPs, and the intent of South Atlantic Fishery Management Council and the Descend Act.

Comments and Responses

NMFS received five comment submissions during the public comment periods on the notice of availability and the proposed rule for Amendment 2. Comment submissions were from individuals in the general public and a non-profit organization. The majority of the comments were in support of some or all of the actions within Amendment 2 and the proposed rule, and NMFS agrees with those comments. Comments opposing one or more of the proposed actions, and those that requested additional information about the actions contained in the notice of availability and the proposed rule, are summarized by topic area in the following paragraphs, along with NMFS' responses.

Comments received that were outside of the scope of Amendment 2 and the proposed rule included a recommendation for NMFS to prohibit other net gear types used in USVI territorial waters; questions on the applicability of the descending device requirement for small commercial boats in Florida; and a recommendation for NMFS to support a requirement that fishers in Federal waters around Puerto Rico, St. Croix, St. Thomas and St. John mark their gear to assist with tracing the origin of marine fauna entanglements.

Comment 1: The measures included in Amendment 2 would have no impact on the health and management of the fisheries, and would pressure the government of Puerto Rico to develop consistent regulations.

Response: Although gillnets, trammel nets, purse seines, and trawl nets are minimally used or not currently used in Federal waters around the U.S. Caribbean, NMFS disagrees that the measures implemented by this final rule will have no impact on the health and management of the fisheries. By preventing any future use of these gear types in U.S. Caribbean Federal waters, this final rule reduces potentially damaging effects to important habitats and will eliminate the potential for bycatch from fishing with these gear types. In addition to preventing or reducing impacts associated with the use of certain types of fishing gear, NMFS and the Council are concerned about the mortality of reef fish that are released after capture by commercial and recreational fishermen, particularly reef fish caught in U.S. Caribbean Federal waters that experience injuries related to barotrauma. The requirement to have a descending device ready and available for use when fishing for reef fish should help increase the survivability of released fish showing signs of barotrauma.

Decisions regarding whether to adopt territorial regulations that are compatible or consistent with Federal regulations are solely within the purview of the environmental agency in the government of Puerto Rico and not the Council or NMFS.

Comment 2: The continued use of gillnets in Federal waters around Puerto Rico, St. Croix, and St. Thomas and St. John in commercial non-managed fisheries should be prohibited to protect marine mammals, sea turtles and other marine fauna from entanglement by these nets. If allowed, NMFS should strictly enforce the requirement that gillnets be tended at all times and ensure the immediate reporting of any bycatch incident involving marine mammals.

Response: NMFS recognizes that the current use of gillnets in the commercial non-managed fisheries located in Federal waters around Puerto Rico, St. Croix, and St. Thomas and St. John is minimal due to the water depth and distance from the coast. As discussed in Amendment 2, the gillnet prohibition and restriction in Federal waters are not expected to alter existing fishing practices in such a way as to alter the interactions with marine mammals. This final rule establishes specific requirements for gillnets used in commercial non-managed fisheries to prevent or minimize any potential negative ecological and biological effects to resources in U.S. Caribbean Federal waters, such as bycatch of protected species, including marine mammals. NMFS anticipates that limiting the use of gillnets to the specified requirements (*e.g.,* mesh size, maximum length, minimum depth, and tending requirements) for non-federally managed species will allow fishermen to continue using these specific gillnets to catch species in Federal waters that are used mainly as baitfish, and that the potential for these gillnets to entangle larger fish or protected species will be minimal. NMFS will continue to enforce Federal regulations, including new requirements implemented by this final rule, that are applicable to all fisheries conducted in Federal waters around the U.S. Caribbean with the support of territorial law enforcement agencies. Lastly, NMFS requires that commercial fishers report bycatch incidents involving marine mammals (Marine Mammal Authorization Program (see 50 CFR 229.4 and 229.6)). For sea turtle bycatch incidents, fishers should report their incidental captures to the NMFS Sea Turtle Stranding and Salvage Network.

Comment 3: Requiring descending devices on all commercial fishing vessels is a futile and unnecessary burden, particularly for vessels where diving is the main gear or method used, as reef fish caught while diving do not typically suffer from barotrauma. In addition, fish that are caught commercially and exhibit barotrauma are usually kept as part of the commercial harvest. Requiring descending devices only makes sense if the requirement was to use the device to release fish exhibiting signs of barotrauma, which would require law enforcement be present when the fish was landed and then released.

Response: Requiring a descending device to be on board a commercial or recreational vessel and readily available for use while fishing for or possessing reef fish was recommended by the Council as a best fishing practice for all reef fish fisheries in U.S. Caribbean Federal waters. Reef fish fisheries in Federal waters around Puerto Rico and the USVI commonly use multiple gear

types, including during a single fishing trip, thus, having a descending device available and ready for use on all fishing vessels fishing for or possessing reef fish could help to reduce discard mortality of federally managed reef fish affected by barotrauma. Requiring a descending device to be on board and ready for use versus requiring the device to be used facilitates enforcement because officers can confirm the availability of the device during any boarding. NMFS recognizes that some gear types or methods used when fishing for reef fish in U.S. Caribbean Federal waters, such as while diving, may not result in barotrauma and that not all fish experiencing barotrauma are returned to the water. The use of descending devices can reduce mortality. Therefore, having these devices on board a vessel may help to further protect reef fish. The descending device requirement is not expected to be burdensome to commercial and recreational fishers, as these devices are easy to use and either can be fabricated with materials fishers may already have in their possession, or can be purchased at a low cost.

Comment 4: The Administrative Procedure Act's standard 30-day delay to the effective date after a final rule is published is inadequate for the descending device requirement. The Council should have additional time to conduct outreach and education activities on their use.

Response: In the proposed rule, NMFS specifically requested comments on the effective date for the descending device regulations. NMFS acknowledges that the Council has been actively conducting outreach and education activities on the descending device requirement for the reef fish commercial and recreational sectors, on its recommended use for when fish exhibit signs of barotrauma, and on methods to create a descending device. The Council also has provided information on resources available to obtain a descending device that would comply with the specifications on this final rule. To allow additional opportunities for outreach and education activities and to provide fisherman additional time to obtain the devices, NMFS is delaying implementation of the descending device requirement so that this requirement will be effective 180 days after this final rule is published. NMFS has determined that this later effective date should allow sufficient time for additional outreach and education for the public and for fishers to make or obtain these devices. NMFS recognizes that some fishers are already using descending devices, and NMFS will continue to assist the Council with their outreach and education efforts.

Comment 5: The type of descending device required and how to use it are not specified in Amendment 2 or the proposed rule.

Response: The type of descending device required and information on its use were included in the proposed rule and Amendment 2 and are also described in this final rule. For U.S. Caribbean Federal waters, a descending device is an instrument that is attached to a minimum of 16-ounces (454-grams) of weight and length of line that will release the fish at the depth from which it was caught, or a minimum of 60 feet (18.3 meters). The descending device attaches to the fish's mouth or is a container that will hold the fish. The device must be capable of releasing the fish automatically, by the actions of the operator of the device, or by allowing the fish to escape on its own. Since minimizing surface time is critical to increasing survival, a descending device must be readily available for use while engaged in fishing for federally managed reef fish. Descending devices are easy to use and there is a wide variety of devices that are easily obtainable that meet the specified requirements. In addition, descending devices can be created with materials fishers may already have in their possession.

Classification

Pursuant to section 304(b)(3) of the Magnuson-Stevens Act, the NMFS Assistant Administrator has determined that this final rule is consistent with Amendment 2, the FMPs for Puerto Rico, St. Croix, and St. Thomas and St. John, other provisions of the Magnuson-Stevens Act, and other applicable laws.

This final rule has been determined to be not significant for purposes of Executive Order 12866.

NMFS has determined that this action would not have a substantial direct effect on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes; therefore, consultation with Tribal officials under E.O. 13175 is not required, and the requirements of sections (5)(b) and (5)(c) of E.O. 13175 do not apply. A Tribal summary impact statement under section (5)(b)(2)(B) and section (5)(c)(2)(B) of E.O. 13175 is not required and has not been prepared.

The Magnuson-Stevens Act provides the statutory basis for this final rule. No duplicative, overlapping, or conflicting Federal rules have been identified. In addition, no new reporting or recordkeeping compliance requirements are introduced in this final rule. This final rule contains no information collection requirements under the Paperwork Reduction Act of 1995.

The Chief Counsel for Regulation of the Department of Commerce certified to the Chief Counsel for Advocacy of the Small Business Administration during the proposed rule stage that this final rule would not have a significant economic impact on a substantial number of small entities. The factual basis for the certification was published in the proposed rule and is not repeated here. No comments from the public were received regarding this certification. As a result, a final regulatory flexibility analysis was not required and none was prepared.

List of Subjects

50 CFR Part 600

Caribbean, Commercial, Fisheries, Fishing, Recreational.

50 CFR Part 622

Caribbean, Commercial, Fisheries, Fishing, Fishing gear, Recreational.

Dated: September 15, 2025.

Samuel D. Rauch III,

Deputy Assistant Administrator for Regulatory Programs, National Marine Fisheries Service.

For the reasons set out in the preamble, NMFS amends 50 CFR parts 600 and 622 as follows:

PART 600—MAGNUSON-STEVENS ACT PROVISIONS

■ 1. The authority citation for part 600 continues to read as follows:

Authority: 5 U.S.C. 561 and 16 U.S.C. 1801 *et seq.*

■ 2. Effective November 3, 2025, in § 600.725(v), in the table under heading V. Caribbean Fishery Management Council, revise the entries at 1.B.i, 1.G, 2.B.i, 2.G, 3.B.i, and 3.G to read as follows:

§ 600.725 General prohibitions.

* * * * *

(v) * * *

Fishery	Authorized gear types
* * * * * * *	
V. Caribbean Fishery Management Council	
1. Exclusive Economic Zone around Puerto Rico.	
* * * * * * *	
B. Puerto Rico Pelagic Fishery (FMP):	
i. Commercial fishery	i. Automatic reel, bandit gear, buoy gear, handline, longline, rod and reel.
* * * * * * *	
G. Puerto Rico Commercial Fishery (Non-FMP)	Automatic reel, bandit gear, buoy gear, handline, longline, rod and reel, gillnet, cast net, spear.
* * * * * * *	
2. Exclusive Economic Zone around St. Croix.	
* * * * * * *	
B. St. Croix Pelagic Fishery (FMP):	
i. Commercial fishery	i. Automatic reel, bandit gear, buoy gear, handline, longline, rod and reel.
* * * * * * *	
G. St. Croix Commercial Fishery (Non-FMP)	Automatic reel, bandit gear, buoy gear, handline, longline, rod and reel, gillnet, cast net, spear.
* * * * * * *	
3. Exclusive Economic Zone around St. Thomas and St. John.	
* * * * * * *	
B. St. Thomas and St. John Pelagic Fishery (FMP):	
i. Commercial fishery	i. Automatic reel, bandit gear, buoy gear, handline, longline, rod and reel.
* * * * * * *	
G. St. Thomas and St. John Commercial Fishery (Non-FMP)	Automatic reel, bandit gear, buoy gear, handline, longline, rod and reel, gillnet, cast net, spear.
* * * * * * *	

* * * * *

PART 622—FISHERIES OF THE CARIBBEAN, GULF OF AMERICA, AND SOUTH ATLANTIC

■ 3. The authority citation for part 622 continues to read as follows:

Authority: 16 U.S.C. 1801 *et seq.*

■ 4. Effective November 3, 2025, in § 622.30, revise paragraph (c)(1)(ii) to read as follows:

§ 622.30 Required fishing gear.

* * * * *

(c) * * *

(1) * * *

(ii) The descending device must use a minimum of a 16-ounce (454-gram) weight and a minimum of a 60-ft (18.3-m) length of line.

* * * * *

■ 5. Effective November 3, 2025, in § 622.188, revise paragraph (a)(4) to read as follows:

§ 622.188 Required gear, authorized gear, and unauthorized gear.

(a) * * *

(4) *Descending device.* At least one descending device is required to be on board a vessel and be ready for use while fishing for or possessing South Atlantic snapper-grouper. Descending device means an instrument capable of releasing the fish at the depth from which the fish was caught, and to which is attached a minimum of a 16-ounce (454-gram) weight and a minimum of a 60-ft (18.3-m) length of line. The descending device may either attach to the fish's mouth or be a container that will retain the fish while it is lowered to depth. The device must be capable of releasing the fish automatically, by actions of the operator of the device, or by allowing the fish to escape on its own when at depth.

* * * * *

■ 6. Effective November 3, 2025, in § 622.437:

■ a. Revise the section heading;

■ b. Revise the introductory text;

■ c. Revise paragraph (a);

■ d. Add paragraph (b);

■ e. Revise paragraph (c)(2); and

■ f. Add paragraph (d).

The revisions and additions read as follows:

§ 622.437 Prohibited and required gear and methods.

Trawl, trammel net, and purse seine gear are prohibited for use to fish in the EEZ around Puerto Rico. See § 622.9 for additional prohibited gear and methods that apply more broadly to multiple fisheries or in some cases all fisheries.

(a) *Reef fish* means the species as defined in § 622.431.

(1) *Poisons.* A poison, drug, or other chemical may not be used to fish for reef fish in the EEZ around Puerto Rico.

(2) *Powerheads.* A powerhead may not be used in the EEZ around Puerto Rico to fish for reef fish.

(3) *Gillnets.* A gillnet may not be used in the EEZ around Puerto Rico to fish for reef fish.

(b) *Pelagic fish* means the species as defined in § 622.431. A gillnet may not

be used in the EEZ around Puerto Rico to fish for pelagic fish.

(c) * * *

(2) *Gillnets.* A gillnet may not be used in the EEZ around Puerto Rico to fish for spiny lobster.

(d) *Gillnet restrictions.* A gillnet may be used by commercial fishermen in the EEZ around Puerto Rico to fish for species not listed in § 622.431 if the gillnet meets the following requirements:

(1) *Tending.* At all times when the gear is in the water, a gillnet must be tended or supervised by the fisherman that deployed the gear.

(2) *Mesh size.* The mesh size must be exactly 0.75 inches (1.9 cm) square or 1.5 inches (3.8 cm) stretched.

(3) *Number of allowable gillnets.* No more than one gillnet is allowed on board a vessel, counting any gear on the vessel and in the water.

(4) *Gillnet length.* The maximum length of a gillnet measured at the head rope, foot rope, or float line cannot exceed 600 ft (182.9 m).

(5) *Gillnet floats or buoys.* When a gillnet is deployed in the water, the floats or buoys attached to the gillnet (head rope or float line) must maintain contact with the surface at all times, and the gillnet must not be used within 20 ft (6.1 m) of the bottom and must not be anchored to the bottom.

■ 7. Effective April 1, 2026, in § 622.437, add paragraph (a)(4) to read as follows:

§ 622.437 Prohibited and required gear and methods.

* * * * *

(a) * * *

(4) *Descending device.* At least one descending device is required to be on a vessel and be ready for use while fishing for or possessing reef fish. Descending device means an instrument capable of releasing the fish at the depth from which the fish was caught, and to which is attached a minimum of 16 ounces (454 grams) of weight and a minimum of a 60-ft (18.3-m) length of line. The descending device may either attach to the fish's mouth or be a container that will retain the fish while it is lowered to depth. The device must be capable of releasing the fish automatically, by actions of the operator of the device, or by allowing the fish to escape on its own when at depth.

* * * * *

■ 8. Effective November 3, 2025, in § 622.477:

■ a. Revise the section heading;

■ b. Revise the introductory text;

■ c. Revise paragraph (a);

■ d. Add paragraph (b);

■ e. Revise paragraph (c)(2); and

■ f. Add paragraph (d).

The revisions and additions read as follows:

§ 622.477 Prohibited and required gear and methods.

Trawl, trammel net, and purse seine gear are prohibited for use to fish in the EEZ around St. Croix. Also see § 622.9 for additional prohibited gear and methods that apply more broadly to multiple fisheries or in some cases all fisheries.

(a) *Reef fish* means the species as defined in § 622.471.

(1) *Poisons.* A poison, drug, or other chemical may not be used to fish for reef fish in the EEZ around St. Croix.

(2) *Powerheads.* A powerhead may not be used in the EEZ around St. Croix to fish for reef fish.

(3) *Gillnets.* A gillnet may not be used in the EEZ around St. Croix to fish for reef fish.

(b) *Pelagic fish* means the species as defined in § 622.471. A gillnet may not be used in the EEZ around St. Croix to fish for pelagic fish.

(c) * * *

(2) *Gillnets.* A gillnet may not be used in the EEZ around St. Croix to fish for spiny lobster.

(d) *Gillnet restrictions.* A gillnet may be used by commercial fishermen in the EEZ around St. Croix to fish for species not listed in § 622.471 if the gillnet meets the following requirements:

(1) *Tending.* At all times when the gear is in the water, a gillnet must be tended or supervised by the fisherman that deployed the gear.

(2) *Mesh size.* The mesh size must be exactly 0.75 inches (1.9 cm) square or 1.5 inches (3.8 cm) stretched.

(3) *Number of allowable gillnets.* No more than one gillnet is allowed on board a vessel, counting any gear on the vessel and in the water.

(4) *Gillnet length.* The maximum length of a gillnet measured at the head rope, foot rope, or float line cannot exceed 600 ft (182.9 m).

(5) *Gillnet floats or buoys.* When a gillnet is deployed in the water, the floats or buoys attached to the gillnet (head rope or float line) must maintain contact with the surface at all times, and the gillnet must not be used within 20 ft (6.1 m) of the bottom and must not be anchored to the bottom.

* * * * *

■ 9. Effective April 1, 2026, in § 622.477, add paragraph (a)(4) to read as follows:

§ 622.477 Prohibited and required gear and methods.

* * * * *

(a) * * *

(4) *Descending device.* At least one descending device is required to be on a vessel and be ready for use while fishing for or possessing reef fish. Descending device means an instrument capable of releasing the fish at the depth from which the fish was caught, and to which is attached a minimum of 16 ounces (454 grams) of weight and a minimum of a 60-ft (18.3-m) length of line. The descending device may either attach to the fish's mouth or be a container that will retain the fish while it is lowered to depth. The device must be capable of releasing the fish automatically, by actions of the operator of the device, or by allowing the fish to escape on its own when at depth.

* * * * *

■ 10. Effective November 3, 2025, in § 622.512:

■ a. Revise the section heading;

■ b. Revise the introductory text;

■ c. Revise paragraph (a);

■ d. Add paragraph (b);

■ e. Revise paragraph (c)(2); and

■ f. Add paragraph (d).

The revisions and additions read as follows:

§ 622.512 Prohibited and required gear and methods.

Trawl, trammel net, and purse seine gear are prohibited for use to fish in the EEZ around St. Thomas and St. John. Also see § 622.9 for additional prohibited gear and methods that apply more broadly to multiple fisheries or in some cases all fisheries.

(a) *Reef fish* means the species as defined in § 622.506.

(1) *Poisons.* A poison, drug, or other chemical may not be used to fish for reef fish in the EEZ around St. Thomas and St. John.

(2) *Powerheads.* A powerhead may not be used in the EEZ around St. Thomas and St. John to fish for reef fish.

(3) *Gillnets.* A gillnet may not be used in the EEZ around St. Thomas and St. John to fish for reef fish.

(b) *Pelagic fish* means the species as defined in § 622.506. A gillnet may not be used in the EEZ around St. Thomas and St. John to fish for pelagic fish.

(c) * * *

(2) *Gillnets.* A gillnet may not be used in the EEZ around St. Thomas and St. John to fish for spiny lobster.

(d) *Gillnet restrictions.* A gillnet may be used by commercial fishermen in the EEZ around St. Thomas and St. John to fish for species not listed in § 622.506 if the gillnet meets the following requirements:

(1) *Tending.* At all times when the gear is in the water, a gillnet must be tended or supervised by the fisherman that deployed the gear.

(2) *Mesh size.* The mesh size must be exactly 0.75 inches (1.9 cm) square or 1.5 inches (3.8 cm) stretched.

(3) *Number of allowable gillnets.* No more than one gillnet is allowed on board a vessel, counting any gear on the vessel and in the water.

(4) *Gillnet length.* The maximum length of a gillnet measured at the head rope, foot rope, or float line cannot exceed 600 ft (182.9 m).

(5) *Gillnet floats or buoys.* When a gillnet is deployed in the water, the floats or buoys attached to the gillnet (head rope or float line) must maintain contact with the surface at all times, and the gillnet must not be used within 20 ft (6.1 m) of the bottom and must not be anchored to the bottom.

■ 11. Effective April 1, 2026, in § 622.512, add paragraph (a)(4) to read as follows:

§ 622.512 Prohibited and required gear and methods.

* * * * *

(a) * * *

(4) *Descending device.* At least one descending device is required to be on a vessel and be ready for use while fishing for or possessing reef fish. Descending device means an instrument capable of releasing the fish at the depth from which the fish was caught, and to which is attached a minimum of 16 ounces (454 grams) of weight and a minimum of a 60-ft (18.3-m) length of line. The descending device may either attach to the fish's mouth or be a container that will retain the fish while it is lowered to depth. The device must be capable of releasing the fish automatically, by actions of the operator of the device, or by allowing the fish to escape on its own when at depth.

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[FR Doc. 2025–19437 Filed 10–2–25; 8:45 am]

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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 648

[Docket No. 250424–0072]

RIN 0648–BN64

Magnuson-Stevens Fishery Conservation and Management Act Provisions; Fisheries of the Northeastern United States; Northeast Multispecies Fishery; Temporary Rule To Extend Fishing Year 2025 Measures

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Temporary rule; emergency action.

SUMMARY: This rule extends the emergency measures to revise portions of the fishing year 2025 provisions in the Northeast multispecies fishery. This action is necessary to address an emergency presented by an absence of approved specifications and other measures for fishing year 2025. This action is intended to mitigate economic harm to the Northeast multispecies fishery participants by establishing fish stock quotas and related measures that allow the fishery to operate while preventing overfishing.

DATES: Effective as of October 3, 2025, §§ 648.14 and 648.89 as amended at 90 FR 18804 is extended through April 30, 2026.

ADDRESSES: NMFS developed a Supplemental Impact Report (SIR) for the Environmental Assessments (EA) for Framework Adjustments 65 and 66 to the Northeast Multispecies FMP that describes the impact that the measures in this temporary rule would have on the human environment. Copies of the SIR and the Regulatory Impact Review of this rulemaking are available on the internet at: *https://www.fisheries.noaa.gov/region/new-england-mid-atlantic.* Copies of each sector's operations plan and contracts for fishing years 2025–2026; the Sector Operations Plan, Contract, and EA requirements guidance document for fishing years 2025–2026; and other supporting documents are available from the NMFS Greater Atlantic Regional Fisheries Office website at: *https://www.fisheries.noaa.gov/region/new-england-mid-atlantic.* Copies of supporting sector documents are available from Heather Nelson at *heather.nelson@noaa.gov.* Copies of the EAs for Framework Adjustments 65, 66, and 69 are available from Dr. Cate O'Keefe, Executive Director, New England Fishery Management Council, 50 Water Street, Mill 2, Newburyport, MA 01950. The Council's documents are also accessible via the internet at: *http://www.nefmc.org/management-plans/northeast-multispecies* or *http://www.regulations.gov.*

FOR FURTHER INFORMATION CONTACT: Heather Nelson, Fishery Management Specialist, phone: 978–281–9334; email: *Heather.Nelson@noaa.gov.*

SUPPLEMENTARY INFORMATION: On May 2, 2025, NMFS published an emergency rule to implement fishing year 2025 management measures for the Northeast Multispecies Fishery Management Plan (FMP) (90 FR 18804). The emergency rule:

- Set interim fishing year 2025 annual catch limits (ACL) for two stocks of cod—Gulf of Maine (GOM) cod and Georges Bank (GB) cod—as well as for GB haddock;
- Set fishing year 2025 total allowable catches (TAC) for Eastern GB cod and Eastern GB haddock that are shared stocks between the United States and Canada;
- Confirmed projected fishing year 2025 specifications for other Northeast multispecies stocks that were previously published in Framework Adjustments 65 and 66;
- Approved Northeast multispecies (groundfish) sector operations plans and allocated annual catch entitlements (ACE) to the sectors, consistent with the catch limits described above;
- Prohibited recreational fishing vessels from possessing GB cod;
- Prohibited commercial fishing vessels fishing under the common pool management program from possessing GB cod;
- Set trimester TACs and possession limits for commercial vessels fishing in the common pool;
- Allocated zero common pool trips into the Closed Area II Yellowtail Flounder/Haddock Special Access Program (SAP) during fishing year 2025; and
- Closed the Regular B Days-at-Sea (DAS) program and prohibit usage of Regular B DAS in fishing year 2025.

At the time the emergency rule was implemented, NMFS was considering two actions (Amendment 25 and Framework Adjustment 69) submitted by the New England Fishery Management Council (Council) that would have made changes to, and set measures for, the Northeast Multispecies FMP. Pending a final decision on these actions, the emergency rule ensured that the fishery could operate at the start of the fishing year on May 1, 2025, mitigating the adverse economic impact to the groundfish fishery if measures were not put in place.

Following the implementation of the emergency rule, Amendment 25 was disapproved on behalf of the Secretary of Commerce. Framework 69 to the FMP, which recommends the annual specifications necessary to authorize the fishery to operate in the 2025 fishing year beginning on May 1, 2025, and projected specifications for fishing years 2026 and 2027, remains under consideration by NMFS. Framework 69 cannot be implemented when the current emergency rule expires on

October 28, even if the framework is approved on or before that date.

The emergency rule is in effect for 180 days, from May 1, 2025, through October 28, 2025. Under the Magnuson-Stevens Fishery Conservation and Management Act, an emergency rule can be extended for an additional 186 days. An extension of the emergency rule is necessary to address the continuing emergency arising from the lack of approved specifications and other measures for the full fishing year 2025. Absent an extension of the rule, the lack of measures on October 29, 2025, would create serious conservation and management problems for the fishery and severe economic harm to the Northeast multispecies fishery participants. Without this extension, vessels participating in the groundfish fishery would be unable to fish for the remainder of the 2025 fishing year (through April 30, 2025) unless replaced by other measures (*e.g.,* Framework 69 measures). This inability to fish would result in substantial adverse economic impacts on vessel owners and operators, dealers, and the fishing communities that rely on them.

With this emergency rule extension, all emergency measures remain in place. Sector and common pool allocations are updated in this extension to reflect the final rosters that were not available when the emergency rule was originally implemented, and these updates are provided in Tables 1–8. Additionally, errors in table formatting in the original emergency rule are corrected. The extended emergency measures would remain in place through April 30, 2026, unless replaced by other measures.

TABLE 1—CATCH LIMITS FOR THE 2025 FISHING YEAR

[Mt, live weight]

Stock	Total ACL	Groundfish sub-ACL	Sector sub-ACL	Common pool sub-ACL	Recreational sub-ACL	Midwater trawl fishery	Scallop fishery	Small-mesh fisheries	State waters sub-component	Other sub-component
	A to H	A+B+C	A	B	C	D	E	F	G	H
GB Cod	186	140	135	5					16	31
GOM Cod	327	297	169	7	120				30	0.0
GB Haddock	1,478	1,449	1,415	33		29			0	0
GOM Haddock	2,183	2,108	1,343	36	729	22			46	7.6
GB Yellowtail Flounder	68	56	52	3.7			11.0	1.3	0.0	0.0
SNE/MA Yellowtail Flounder	38	33	24	9.0			2.7		0.2	2.0
CC/GOM Yellowtail Flounder	873	808	761	48					28	37
American Plaice	5,009	4,957	4,803	154					26	26
Witch Flounder	1,196	1,146	1,102	44					19	31
GB Winter Flounder	1,446	1,431	1,360	71					0	15
GOM Winter Flounder	772	607	514	93					153	12.1
SNE/MA Winter Flounder	604	441	375	66					19	144
Redfish	7,859	7,859	7,762	98					0	0
White Hake	1,825	1,816	1,795	21					0	10
Pollock	12,683	11,619	11,492	127					598	465
N. Windowpane Flounder	127	94	na	94			27		0.0	6.8
S. Windowpane Flounder	205	30	na	30			71		6.4	98
Ocean Pout	83	49	na	49					0	34
Atlantic Halibut	75	58	na	58					16	1.2
Atlantic Wolffish	87	87	na	87					0	0

n/a: not allocated to sectors.

TABLE 2—FISHING YEAR 2025 COMMON POOL TRIMESTER TACS

[Mt, live weight]

Stock	2025		
	Trimester 1	Trimester 2	Trimester 3
GB Cod	1.3	1.6	1.8
GOM Cod	3.4	2.3	1.2
GB Haddock	9.0	11.0	13.3
GOM Haddock	9.7	9.4	17.0
GB Yellowtail Flounder	0.7	1.1	1.9
SNE/MA Yellowtail Flounder	1.9	2.5	4.6
CC/GOM Yellowtail Flounder	27.1	12.4	8.1
American Plaice	113.7	12.3	27.6
Witch Flounder	24.1	8.8	11.0
GB Winter Flounder	5.7	17.0	48.2
GOM Winter Flounder	34.5	35.5	23.3
Redfish	24.4	30.2	42.9
White Hake	7.9	6.5	6.5
Pollock	35.6	44.6	47.1

TABLE 3—FISHING YEAR 2025 COMMON POOL INCIDENTAL CATCH TACS

[Mt, live weight]

Stock	Percentage of common pool sub-ACL	2025
GB Cod	1.68	0.08
GOM Cod	1	0.07
GB Yellowtail Flounder	2	0.07
CC/GOM Yellowtail Flounder	1	0.48
American Plaice	5	7.68
Witch Flounder	5	2.19
SNE/MA Winter Flounder	1	0.66

TABLE 4—FISHING YEAR 2025 INCIDENTAL CATCH TACS FOR EACH SPECIAL MANAGEMENT PROGRAM

[Mt, live weight]

Stock	Regular B DAS program	Eastern U.S./ Canada haddock SAP
GB Cod	0.05	0.03
GOM Cod	0.07	n/a
GB Yellowtail Flounder	0.04	0.04
CC/GOM Yellowtail Flounder	0.48	n/a
American Plaice	7.68	n/a
Witch Flounder	2.19	n/a
SNE/MA Winter Flounder	0.66	n/a

TABLE 5—FISHING YEAR 2025 REGULAR B DAS PROGRAM QUARTERLY INCIDENTAL CATCH TACS

[Mt, live weight]

Stock	2025			
	1st quarter (13 percent)	2nd quarter (29 percent)	3rd quarter (29 percent)	4th quarter (29 percent)
GB Cod	0.01	0.01	0.01	0.01
GOM Cod	0.01	0.02	0.02	0.02
GB Yellowtail Flounder	0.00	0.01	0.01	0.01
CC/GOM Yellowtail Flounder	0.06	0.14	0.14	0.14
American Plaice	1.00	2.23	2.23	2.23
Witch Flounder	0.28	0.64	0.64	0.64
SNE/MA Winter Flounder	0.09	0.19	0.19	0.19

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Table 6 – Final cumulative PSC (percentage) each sector is receiving by stock for fishing year 2025

Sector Name	MRI Count	GB Cod	GOM Cod	GB Haddock	GOM Haddock	GB Yellowtail Flounder	SNE/MA Yellowtail Flounder	CC/GOM Yellowtail Flounder	Plaice	Witch Flounder	GB Winter Flounder	GOM Winter Flounder	SNE/MA Winter Flounder	Redfish	White Hake	Pollock
Fixed Gear Sector	58	10.24212320	0.62118283	1.30036807	0.17541380	0.00311474	0.18875828	1.56423147	0.44969368	1.08624360	0.01703982	1.76326285	0.94546461	0.48359712	0.98554309	2.63604599
Maine Coast Community Sector	107	2.14381876	16.04726033	3.28024954	12.19493668	1.94946572	2.52191670	6.27087271	15.57982971	12.35893454	0.80738762	7.70307452	2.23292260	9.19871852	13.83337888	12.70465517
Maine Permit Bank	11	0.13439158	1.16168961	0.04453277	1.12521597	0.01387770	0.03207071	0.31964833	1.16764302	0.72914243	0.00021875	0.42733162	0.01820836	0.82280629	1.65674426	1.69636752
Mooncusser Sector	51	11.75076850	7.21912792	3.63423596	3.80554950	0.85287050	0.71325693	3.90298129	0.95626703	2.17641454	0.06281761	3.89289999	1.81395127	4.76123074	10.82902490	10.91393118
NEFS 2	128	10.06043816	25.72844012	15.50795747	25.08012941	6.71533619	7.36598169	26.40703261	15.87508356	21.07064126	5.07183716	26.71999021	5.98070677	22.05072341	13.29452390	18.02512930
NEFS 4	58	8.63064256	11.18238598	6.05566788	8.86166344	2.17847227	2.28497979	6.42213790	9.43836833	8.82304185	0.69996268	7.42431328	1.03551783	6.69553103	8.27315447	7.26683531
NEFS 5	14	0.35472720	0.32881900	0.42498729	0.11063627	0.70255940	10.44623976	0.92544848	0.22763746	0.40210981	0.17313264	0.84381096	6.93905854	0.01320635	0.03510117	0.06575445
NEFS 6	3	0.53277963	0.16900617	0.55629310	0.15126005	0.06623359	0.00032970	0.02492228	0.88199052	0.47903712	0.08026315	0.07106409	0.01437646	1.11265148	0.52915152	0.31852137
NEFS 8	114	34.51388651	6.45087423	42.30010274	18.91885822	48.13967395	19.06150238	19.62941210	21.94659844	21.33080345	63.02944419	5.03318563	43.54807834	26.47961273	19.26726375	18.89354372
NEFS 10	20	0.17129915	1.67784253	0.10430337	0.71634962	0.00105439	0.56741495	3.07362115	0.30002267	0.59790479	0.01076827	5.69699804	0.43191024	0.01057169	0.02845311	0.07115414
NEFS 11	38	0.39824840	10.53615357	0.03378514	2.64634283	0.00088665	0.01017277	2.11441907	1.42997133	1.44683554	0.00097316	1.90333948	0.02232596	1.86077245	3.95170830	8.47767118
NEFS 12	25	0.87144678	3.84040388	0.79243704	1.41977269	1.33470334	1.55285130	9.57101150	1.86581763	2.04834200	0.39637667	12.41077504	0.72988422	0.58577546	0.92634941	1.40772701
NEFS 13	49	7.53239015	0.33857362	12.59623816	0.68350584	24.86780462	20.35771973	3.99132945	4.76528223	5.05798498	12.81770000	1.12900445	10.60284817	1.52348140	0.94824778	1.00456641
New Hampshire Permit Bank	4	0.00082696	1.15188056	0.00003421	0.03236754	0.00002041	0.00001803	0.02192453	0.02856511	0.00617883	0.00000326	0.06080509	0.00003694	0.01942370	0.08148030	0.11143814
Sustainable Harvest Sector 1	41	5.05343713	4.50212938	6.72957598	9.17479601	2.15655615	1.56139858	4.61957286	11.16236257	8.71237918	6.61130129	5.07805425	3.04571508	11.28978633	12.24469133	5.67281173
Sustainable Harvest Sector 2	14	1.29776006	1.13739128	1.99846045	4.03289027	0.70148248	1.99315808	2.13858024	2.09256157	2.33147501	0.36513799	2.03730190	2.22203502	4.16622848	2.83808242	2.72152125
Sustainable Harvest Sector 3	29	2.85517607	3.98021781	2.34273634	8.24985644	3.75909839	4.36586471	3.12368104	8.73405783	7.51949003	4.90221270	2.44199437	5.47302383	7.68590803	9.12453183	6.91687123
Common Pool	495	3.45583918	3.92662118	2.29803448	2.62045541	6.55678951	26.97636591	5.87917301	3.09824732	3.82304105	4.95342303	15.36279423	14.94393576	1.23997480	1.15256960	1.09545488
Sector Total	764	96.54	96.07	97.70	97.38	93.44	73.02	94.12	96.90	96.18	95.05	84.64	85.06	98.76	98.85	98.90

Table 7 –ACE (in 1,000 lb), by stock, for each sector for fishing year 2025 #^

Sector Name	GB Cod East	GB Cod West	GOM Cod	GB Haddock East	GB Haddock West	GOM Haddock	GB Yellowtail Flounder	SNE/MA Yellowtail Flounder	CC/GOM Yellowtail Flounder	Plaice	Witch Flounder	GB Winter Flounder	GOM Winter Flounder	SNE/MA Winter Flounder	Redfish	White Hake	Pollock
Fixed Gear Sector	19	13	2	42	0	5	0	0	28	49	27	1	24	9	84	39	675
Maine Coast Community Sector	4	3	62	105	0	371	2	2	112	1,702	312	25	103	22	1,594	554	3,254
Maine Permit Bank	0	0	5	1	0	34	0	0	6	128	18	0	6	0	143	66	435
Mooncusser Sector	21	15	28	116	0	116	1	1	70	104	55	2	52	18	825	434	2,796
NEFS 2	18	13	100	495	0	762	8	5	471	1,735	532	160	358	58	3,821	532	4,617
NEFS 4	16	11	43	193	0	269	3	2	114	1,031	223	22	99	10	1,160	331	1,861
NEFS 5	1	0	1	14	0	3	1	8	16	25	10	5	11	67	2	1	17
NEFS 6	1	1	1	18	0	5	0	0	0	96	12	3	1	0	193	21	82
NEFS 8	62	44	25	1,351	0	575	60	14	350	2,398	539	1,988	67	423	4,588	771	4,840
NEFS 10	0	0	7	3	0	22	0	0	55	33	15	0	76	4	2	1	18
NEFS 11	1	1	41	1	0	80	0	0	38	156	37	0	25	0	322	158	2,172
NEFS 12	2	1	15	25	0	43	2	1	171	204	52	13	166	7	101	37	361
NEFS 13	14	10	1	402	0	21	31	15	71	521	128	404	15	103	264	38	257
New Hampshire Permit Bank	0	0	4	0	0	1	0	0	0	3	0	0	1	0	3	3	29
Sustainable Harvest Sector 1	9	6	18	215	0	279	3	1	82	1,220	220	209	68	30	1,956	490	1,453
Sustainable Harvest Sector 2	2	2	4	64	0	123	1	1	38	229	59	12	27	22	722	114	697
Sustainable Harvest Sector 3	5	4	15	75	0	251	5	3	56	954	190	155	33	53	1,332	365	1,772
Common Pool	6	4	15	73	0	80	8	20	105	339	97	156	206	145	215	46	281
Sector Total	175	123	373	3,121	0	2,961	116	54	1,678	10,589	2,429	2,998	1,133	827	17,112	3,957	25,335

[#] Numbers are rounded to the nearest thousand pounds. In some cases, this table shows an allocation of 0, but that sector may be allocated a small amount of that stock in tens or hundreds of pounds.

^ The data in the table represent the total allocations to each sector.

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Table 8 –ACE (in metric tons), by stock, for each sector for fishing year 2025 #^

Sector Name	GB Cod East	GB Cod West	GOM Cod	GB Haddock East	GB Haddock West	GOM Haddock	GB Yellowtail Flounder	SNE/MA Yellowtail Flounder	CC/GOM Yellowtail Flounder	Plaice	Witch Flounder	GB Winter Flounder	GOM Winter Flounder	SNE/MA Winter Flounder	Redfish	White Hake	Pollock
Fixed Gear Sector	8	6	1	19	0	2	0	0	13	22	12	0	11	4	38	18	306
Maine Coast Community Sector	2	1	28	48	0	168	1	1	51	772	142	12	47	10	723	251	1,476
Maine Permit Bank	0	0	2	1	0	16	0	0	3	58	8	0	3	0	65	30	197
Mooncusser Sector	10	7	13	53	0	52	0	0	32	47	25	1	24	8.0	374	197	1,268
NEFS 2	8	6	45	225	0	346	4	2	213	787	241	73	162	26	1,733	241	2,094
NEFS 4	7	5	20	88	0	122	1	1	52	468	101	10	45	5	526	150	844
NEFS 5	0	0	1	6	0	2	0	3	7	11	5	2	5	31	1	1	8
NEFS 6	0	0	0	8	0	2	0	0	0	44	5	1	0	0	87	10	37
NEFS 8	28	20	11	613	0	261	27	6	159	1,088	244	902	31	192	2,081	350	2,195
NEFS 10	0	0	3	2	0	10	0	0	25	15	7	0	35	2	1	1	8
NEFS 11	0	0	19	0	0	36	0	0	17	71	17	0	12	0	146	72	985
NEFS 12	1	1	7	11	0	20	1	1	77	92	23	6	75	3	46	17	164
NEFS 13	6	4	1	182	0	9	14	7	32	236	58	183	7	47	120	17	117
New Hampshire Permit Bank	0	0	2	0	0	0	0	0	0	1	0	0	0	0	2	1	13
Sustainable Harvest Sector 1	4	3	8	97	0	127	1	1	37	553	100	95	31	13	887	222	659
Sustainable Harvest Sector 2	1	1	2	29	0	56	0	1	17	104	27	5	12	10	327	52	316
Sustainable Harvest Sector 3	2	2	7	34	0	114	2	1	25	433	86	70	15	24	604	166	804
Common Pool	3	2	7	33	0	36	4	9	48	154	44	71	93	66	97	21	127
Sector Total	79	56	169	1,415	0	1,343	52	24	761	4,803	1,102	1,360	514	375	7,762	1,795	11,492

Numbers are rounded to the nearest metric ton, but allocations are made in pounds. In some cases, this table shows a sector allocation of 0 metric tons, but that sector may be allocated a small amount of that stock in pounds.

^ The data in the table represent the total allocations to each sector.

Comments and Responses

NMFS received four comment letters on the emergency rule from: One individual; the Conservation Law Foundation (CLF); the Stellwagen Bank Charter Boat Association (SBCBA); and an attorney on behalf of the Northeast Seafood Coalition (NSC) and the Gloucester Fishing Community Preservation Fund (GFCPF). None of the comments NMFS received compels it to let the emergency rule expire and as such, NMFS has published this extension. The basis for the emergency remains: There are no measures in place or that would be in place, but for an emergency rule extension, that would allow for the continued operation of the groundfish fishery.

Comments in Support of the Emergency Rule

Comment 1: One individual supported the emergency rule because it minimizes economic loss and ensures the continued operation of the Northeast multispecies fishery, while maintaining fish stock protection during a period of transition. That individual supported integration of the two-stock approach with the new four-stock method by incorporating the Council's updated scientific recommendations. The comment letter submitted on behalf of NSC and GFCPF stated that both organizations appreciated implementation of the emergency rule to ensure that the groundfish fishery was able to begin its fishing season on May 1, 2025, and continue operating. However, they also urged NMFS to revise the emergency measures.

Response: NMFS agrees with comments in support of the emergency rule.

Comments on the Justification for the Emergency Rule

Comment 2: CLF commented that NMFS failed to explain how the emergency rule was justified and failed to explain why the benefits of the emergency rule outweigh the process followed by the Council in the development of Amendment 25 and Framework Adjustment 69. CLF alleged that the events used to justify the emergency rule were neither unforeseen, nor recently discovered, and noted that the Council and the public were consistently informed by NMFS that failure to finalize Amendment 25 and Framework 69 would not warrant an emergency rule. CLF also alleged that NMFS failed to explain why the benefits of the emergency rule outweighed the open and transparent process that occurred during the Council's deliberations of Amendment 25 and Framework Adjustment 69, and that NMFS did not adequately document an economic argument.

Response: NMFS disagrees. The emergency rule fully complied with all applicable law. As explained in detail in the emergency rule, NMFS' policy guidelines for the use of emergency rules (62 FR 44421; August 21, 1997) specify 3 criteria for emergency rules: (1) The emergency results from recent, unforeseen events or recently discovered circumstances; (2) the emergency presents serious conservation or management problems in the fishery; and (3) the emergency can be addressed through emergency regulations for which the immediate benefits outweigh the value of advance notice, public comment, and deliberative consideration of the impacts on participants to the same extent as would be expected under the normal rulemaking process. NMFS' policy guidelines further provide that emergency action is justified for certain situations in which an emergency rule would prevent significant direct economic loss, or to preserve a significant economic opportunity that otherwise might be foregone.

NMFS' implementation of this emergency rule and its extension is consistent with NMFS' policy. During the development of Amendment 25 and Framework 69, the Council was informed that NMFS' policy states that an emergency rule may not be based on administrative inaction to solve a long-recognized problem. The inability to implement Amendment 25 and Framework 69 was not due to administrative inaction. The Council developed both actions with the expectation they could be reviewed and approved or disapproved in time for the beginning of the fishing year. NMFS also expected the actions would be reviewable in a timely manner and was acting as quickly as practicable. Throughout the development of Amendment 25 and Framework Adjustment 69, NMFS anticipated that both actions could be reviewed simultaneously in a way that allowed for the Secretary of Commerce to make decisions regarding both interrelated actions at the same time. NMFS' inability to complete the process mandated by the Magnuson-Stevens Act for both Amendment 25 and Framework Adjustment 69 in a coordinated and timely way that would allow for a decision and potential implementation prior to May 1, 2025, was unforeseen and contrary to its plan. At the beginning of the fishing year, the Amendment 25 decision was still pending and Framework 69 remained under NMFS consideration on May 1, necessitating the emergency rule to allow the fishery to operate and provide NMFS with an opportunity to complete, not replace, the Council and rulemaking process. The inability to complete this task was not inaction, however, as evidenced by NMFS' publication of the Amendment 25 notice of availability, reception and consideration of comments on Amendment 25, and its disapproval.

The emergency rule was justified to preserve a significant economic opportunity that otherwise might be foregone. In the absence of Framework Adjustment 69's specifications and other measures, vessels enrolled in groundfish sectors, which comprise the vast majority of the commercial groundfish fleet, would not have been authorized to fish when the fishing year began on May 1 without an emergency rule. Measures for the recreational fishery and the commercial common pool in the emergency rule also were necessary to allow those fisheries to operate while preventing overfishing of Atlantic cod. As discussed in detail in the Regulatory Impact Review included in the Supplemental Information Report (see **ADDRESSES**) that accompanied the emergency rule, the emergency rule was estimated to result in an estimated commercial groundfish revenue of approximately $33M relative to no action (not allocating ACE to groundfish sectors) that would have resulted in negligible revenue.

Comment 3: CLF alleged that NMFS failed to meet the Magnuson-Stevens Act timing requirement outlined in 16 U.S.C. 1854(b) with regard to the NMFS' justification for the emergency rule. CLF questioned why NMFS failed to make a determination and publish proposed regulations for Framework Adjustment 69 for public comment within 15 days of the Council submitting the action.

Response: The Magnuson-Stevens Act, in section 304(b), requires the Secretary of Commerce to immediately initiate an evaluation of proposed regulations submitted by a council to determine whether they are consistent with the FMP, council action, the Magnuson-Stevens Act, and other applicable law. Within 15 days of initiating such evaluation the Secretary must make a determination and, if that determination is affirmative, publish the regulations in the **Federal Register** for public comment.

As stated in the temporary rule, it was necessary to address the emergency presented by a gap of approved specifications and other measures for

fishing year 2025. The actions recommended by the Council in Amendment 25 and Framework Adjustment 69 could not have proceeded through notice and comment rulemaking toward approval or disapproval prior to the beginning of the Northeast multispecies fishing year on May 1, 2025. Earlier publication of the proposed regulations would not have changed this determination.

Calculation of Cod Quotas

Comment 4: The comment submitted on behalf of NSC and GFCPF alleged that the emergency rule is not consistent with applicable law and urged that the emergency rule be revised. They also alleged that the disapproval of Amendment 25 means there is no legal basis to set cod specifications based on the 2024 assessments for the four new cod stocks. The comment stated that the GB and GOM cod emergency specifications should be set at 75 percent of the 2024 ACLs for the remainder of the 180-day effective period of the emergency rule while revised assessments should be completed for the GB and GOM cod stocks. The SBCBA recommended that NMFS consider limited 2025 assessments of Western Gulf of Maine (WGOM) cod and Southern New England (SNE) cod that incorporate data from the Recreational Biological Sampling Program (RecBio) and the Atlantic States Marine Fisheries Commission's Hook and Line Survey.

Response: NMFS disagrees that the emergency rule is inconsistent with applicable law. National Standard 2 requires that conservation and management measures be based upon the best scientific information available (BSIA). The National Standard 2 guidelines codified at 50 CFR 600.315 discuss scientific information, verification and validation, the role of the Council's Scientific and Statistical Committee (SSC) in the evaluation of scientific information and advising the Council, the use of BSIA in decision making, and the timeliness of management actions. Specifically, in § 600.315(e), the guidelines state that FMPs should be amended on a timely basis as new information indicates the necessity for change and that FMPs must take into account the BSIA available at the time of preparation.

On May 19, 2025, NMFS notified the Council that Amendment 25 was disapproved. As a result, the Northeast Multispecies FMP continues to include two cod stocks: GOM cod and GB cod. However, the BSIA for Atlantic cod remains the June 2024 management track assessments for Eastern Gulf of Maine (EGOM) cod, WGOM cod, GB cod, and SNE cod. The SSC reviewed the four assessments at its July 2024 meeting and recommended overfishing limits (OFL) and acceptable biological catches (ABC) for the four stocks for fishing years 2025, 2026, and 2027. Consistent with National Standard 2, that information must be considered when setting quotas.

As stated in the emergency rule, beginning May 1, 2025, there were no existing approved specifications for the existing two stocks of Atlantic cod for fishing year 2025. The Northeast Multispecies FMP includes provisions, at § 648.90(a)(3), for setting default specifications for up to 6 months. Default catch limits are set at the lesser of 75 percent of the previous year's specifications or the Council's recommended specifications for the current year. As described in detail in the emergency rule, NMFS determined the default allocations of 75 percent would exceed the Council's recommended U.S. ABCs for the proposed four stocks of Atlantic cod in Framework Adjustment 69, and the default allocations of 75 percent would also exceed the Council's recommended 2025 U.S. ABCs when translated to the current two stocks. To ensure the emergency rule prevents overfishing while it is in effect, and to be consistent with the Northeast Multispecies FMP's default specification provisions, NMFS set fishing year 2025 specifications for the existing GB cod and GOM cod stocks based on an application of the Council-recommended four Atlantic cod ABCs, which are based on the BSIA and reflect the biological conditions of the four stocks. This rule extends those specifications through the remainder of fishing year 2025.

Because the four-stock structure for Atlantic cod is the BSIA, new assessments of the old stocks of GB cod and GOM cod would be inconsistent with National Standard 2, and there is insufficient available time or resources to conduct any new cod assessment this fishing year. The Northeast Region Coordinating Council (NRCC) is responsible for coordinating fisheries science resources and scheduling stock assessments. Assessment resources are extraordinarily limited. There is no reasonable way to reassess these stocks as urged given the limited time and resources. To the contrary, these limitations have required postponement of many assessments, including Atlantic cod. At its August 2025 meeting, the NRCC decided not to re-assess Atlantic cod stocks until at least 2027. At that time, the assessment scientists would review available data sets and determine which to include, including the possibility of incorporating the RecBio information and the Commission's Hook and Line Survey.

Comment 5: One individual suggested that NMFS provide a simple diagram or flowchart to explain how historical cod allocations are calculated, how the 75-percent default quotas are calculated, and how the 2024 management track assessments were used in calculating quotas for 2025.

Response: In the emergency rule published on May 2, 2025, NMFS included Table 1 (2025 Atlantic Cod Quotas Calculated Using Council's Recommendations in Framework 69). That table shows the ABCs for the four new cod stocks recommended by the SSC and how they were used to calculate the ABCs for the existing GB and GOM cod stocks. The apportionment percentage used for WGOM cod in Table 1 is based on the Council's preferred alternative in Framework Adjustment 69 (see **ADDRESSES**) and the underlying analyses for that apportionment are not reprinted here. Each year, NMFS sends a letter to each limited access permit holder that details the amount of fish (in pounds) that the permit would contribute to a sector if enrolled in the coming fishing year and how those amounts are calculated. Information about the calculation of potential sector contributions is available on the web at: *https://www.fisheries.noaa.gov/new-england-mid-atlantic/commercial-fishing/fishing-year-2025-sectors#annual-catch-entitlements.*

Preventing Overfishing

Comment 6: CLF expressed concerns that continuing to manage Atlantic cod as two stocks would lead to continued overfishing of the WGOM and SNE cod stocks, and compromise rebuilding of the EGOM and GB cod stocks. CLF also raised a concern that the emergency rule prioritizes short-term economic benefits over the requirement to rebuild stocks and the long-term economic gains associated with rebuilt stocks. CLF suggested that the emergency rule should give more consideration to ending overfishing on the SNE and WGOM cod stocks, and preventing overfishing of the EGOM and GB cod stock, but acknowledged that no status determination (*i.e.,* overfished and/or overfishing) can be made for these four stocks until they are added to the FMP.

Response: NMFS disagrees the emergency rule will allow overfishing but agrees that status determinations cannot be made for the four new cod stocks prior to their addition to the FMP. National Standard 1 requires that

conservation and management measures prevent overfishing while achieving, on a continuing basis, the optimum yield from each fishery. The National Standard 1 guidelines codified at § 600.315 provide detailed information on how an FMP should meet these requirements. At § 600.310(e)(2)(i)(B), overfishing is defined as occurring when the level of fishing mortality or total catch of a stock jeopardizes the capacity of a stock or stock complex to produce maximum sustainable yield (MSY) on a continuing basis. As explained in the emergency rule published on May 2, 2025, and referenced in the response to comment 4, NMFS set fishing year 2025 specifications for the existing GB cod and GOM cod stocks based on an application of the Council-recommended four Atlantic cod ABCs, which are based on the BSIA and reflect the biological conditions of the four stocks. The quotas implemented by the emergency rule represent a balance between preventing overfishing and setting catch limits using scientific determinations based on four cod biological stock units and operationally equivalent measures for two cod biological stock units that are designed to reflect status quo conditions to the extent practicable during the period this action is in effect. The overall cod catch, when the Council's recommended four cod U.S. ABCs for 2025 from Framework Adjustment 69 are combined and allocated to GOM cod and GB cod, represents a 50-percent reduction in cod quotas overall from the 2024 fishing year for the two cod stocks. NMFS has determined that allowing fishing for one year at the calculated levels will not jeopardize the potential for any stock of Atlantic cod to produce MSY on a continuing basis. Future stock status determinations, assessments, and Council actions will incorporate the realized catch from 2025.

Calculation of the GB Haddock Quota

Comment 7: NSC and GFCPF argued that the U.S. ABC for GB haddock should be revised upward. In their comment, they alleged that the 2025 U.S. ABC for GB haddock is not based on BSIA and is therefore illegal. NSC and GFCPF raise concerns with the 2024 assessment of GB haddock on two bases: (1) The determination of the proportion of haddock in the Eastern and Western U.S. Canada Areas; and (2) a change made to the assessment model that improved the model's diagnostics.

Response: As described in the emergency rule, to prevent overfishing, NMFS set the 2025 U.S. ABC for GB haddock at 1,556 mt, consistent with the Council's recommendation in Framework Adjustment 69. The Council's recommendation was based on a new stock assessment completed in 2024. During its July 2024 review of that stock assessment, the Council's SSC determined the approach used in that assessment for spatial apportionment of biomass for domestic biomass was both appropriate and consistent with the method for U.S.-Canada resource sharing. The SSC provided several recommendations for future consideration, including topics related to the spatial apportionment. At its October 2024 meeting, the SSC recommended an OFL and total ABC to the Council, as required by the National Standard 2 guidelines at § 600.315(c). The SSC also recommended that the Northeast Fisheries Science Center should review the use of the log-normal adjustment in the model, and develop a well-documented and consistent approach to its application.

The National Standard 2 guidelines stipulate that the Council cannot exceed the SSC's recommendations. Thus, the 2025 GB haddock U.S. ABC implemented by the emergency rule is based on the BSIA and is consistent with the Magnuson-Stevens Act.

Management Uncertainty Buffer

Comment 8: CLF agreed with retaining the uncertainty buffer for sector allocations in the emergency rule. It commented that the implementation of the emergency rule increases management uncertainty around Atlantic cod. CLF also argued that staff reductions at NMFS and the potential for funding shortfalls to reduce the at-sea monitoring coverage of the fishery could also reduce the ability for NMFS to effectively manage the fishery. In its comment, CLF urged NMFS to maintain the uncertainty buffer in any future actions to address the increased uncertainty and suggested NMFS could request that the Council revisit the uncertainty buffers included in Framework Adjustment 69.

Response: NMFS agrees the uncertainty buffers for sectors should remain in place during the period the emergency rule is in place. However, NMFS disagrees that the Council should revisit the uncertainty buffers included in Framework Adjustment 69. The FMP specifies, at § 648.90(a)(4)(i)(B), that the need for a management uncertainty buffer for sector sub-ACLs will continue to be evaluated as part of each Council specification action. The PDT is required to consider whether the 100-percent monitoring coverage target supports a zero percent buffer, or any other factor has a significant potential to result in catches that could exceed ACLs, and will recommend an appropriate management uncertainty buffer if necessary.

Recreational Measures

Comment 9: The SBCBA raised concerns about the effects of the recreational cod measures implemented by the emergency rule. It requested that NMFS consider a liberalization of the recreational season or bag limit for GOM cod based on the cod catch that would have occurred during an open season in May if the Council's recommended recreational measures for WGOM had been implemented on May 1. It also recommended that NMFS implement the GOM cod recreational measures in statistical areas 521 and 526 (see Figure 1 in the May 2, 2025, emergency rule), which are part of the old GB cod stock area, but would be part of the new WGOM cod stock area. SBCBA also recommended that NMFS consider different measures for private recreational vessels and for the for-hire fleet (charter and party boats) to address their business needs. One individual also suggested NMFS pilot a temporary, adaptive, data-informed adjustment to the recreational possession limit for Atlantic cod in 2025 to better reflect current conditions.

Response: NMFS disagrees. As explained in the emergency rule, recreational catch of GB cod would contribute to catch in the State Waters sub-component and the Other sub-component. The interim GB cod sub-components implemented by the emergency rule, and extended in this rule, are very low at a combined 47 mt (103,617 lb), which cannot support a directed recreational cod fishery. Recreational cod catch resulting from implementing the GOM cod recreational measures in statistical areas 521 and 526 would count against the GB cod sub-components. Prohibiting possession of GB cod by private recreational vessels and for-hire recreational vessels is necessary to prevent overfishing of GB cod.

Stakeholder Engagement

Comment 11: The individual's comment suggested that NMFS hold at least one stakeholder consultation during 2025 to solicit public input on possible changes to the emergency measures implemented by the emergency rule. The commenter suggested this would provide an opportunity to review field observations and stock data to make potential mid-year adjustments.

Response: NMFS disagrees. The emergency rule published on May 2,

2025, solicited public comment through June 2, 2025. NMFS considered all comments submitted on the emergency rule prior to making a decision to extend the emergency measures through the end of the fishing year on April 30, 2026. In this rule, NMFS has responded to each written comment received. NMFS does not convene public meetings or input sessions as a way to collect input on emergency rules or emergency rule extensions.

Classification

The Assistant Administrator for Fisheries, NOAA, has determined that this extension to the emergency rule is consistent with the criteria and justifications for use of emergency measures in section 305(c) of the Magnuson-Stevens Act, and is consistent with the Northeast Multispecies FMP, other provisions of the Magnuson-Stevens Act, the Administrative Procedure Act (APA), and other applicable law.

Pursuant to 5 U.S.C. 553(b)(B), the Assistant Administrator for Fisheries, NOAA, finds good cause to waive prior notice and the opportunity for public comment because it would be impracticable and contrary to the public interest and would prevent the positive benefits this rule is intended to provide. This emergency action is necessary to relieve restrictions on the fishing industry and mitigate significant economic harm, while also preventing overfishing as required by statute.

Without additional action, the emergency measures implemented on May 1, 2025, to set management measures for the groundfish fishery for fishing year 2025 would end on October 28, 2025. This includes approval of the groundfish sectors' operations plans. Groundfish sectors constitute 96 percent of all commercial groundfish catch. Any delay in this emergency extension would require all sector vessels to stop fishing, unless and until a future rulemaking provided approval to resume operation. Additionally, the original emergency rule provided 30 days for public comment on the emergency measures. Thus, prior notice and opportunity for public comment for this extension rule would not provide any additional benefit than already provided by the comment opportunity provided by the May 2, 2025, publication. Further, prior notice and opportunity of public comment for this extension of that rule would not provide a benefit that would outweigh the need to avoid unnecessary economic harm on groundfish vessels.

For the same reasons stated above (in the discussion of 5 U.S.C. 553(b)(B)) and the following additional reasons, NOAA also finds good cause to waive the 30-day delay in the effective date, and implement this action on October 29, 2025 (the day the original emergency would have ended), pursuant to 5 U.S.C. 553(d)(3). This rule relieves restrictions that would prevent sector fishery members from fishing. Because vessels have already opted to operate in the sector system, they would be legally barred from operating in the groundfish fishery unless and until their sector's operations plan was approved. Commercial fishing vessel and Federal dealer operations benefit from both continuity and certainty. The sector fishery has operated for fifteen years under the sector system that provides them with well-known regulatory exemptions to restrictions that are provided by this action. Vessels do not need time to prepare for the implementation of this emergency rule, and instead need the immediate implementation of these measures to authorize them to fish consistent with their operations over the last 15 years.

This action is being taken pursuant to the emergency provision of the Magnuson-Stevens Act and is exempt from Office of Management and Budget review. This is not a regulatory action pursuant to Executive Order (E.O.) 14192. This emergency rule is exempt from the procedures of the Regulatory Flexibility Act because the rule is issued without opportunity for prior notice and opportunity for public comment.

This temporary rule for an emergency action contains no information collection requirements under the Paperwork Reduction Act of 1995.

I have determined that this action would not have a substantial direct effect on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes, or on the distribution of power and responsibilities between the Federal Government and Indian tribes; therefore, consultation with tribal officials under E.O. 13175 is not required, and the requirements of sections (5)(b) and (5)(c) of E.O. 13175 also do not apply. A tribal summary impact statement under section (5)(b)(2)(B) and section (5)(c)(2)(B) of E.O. 13175 is not required and has not been prepared.

List of Subjects in 50 CFR Part 648

Fisheries, Fishing, Recordkeeping and reporting requirements.

Dated: October 1, 2025.

Samuel D. Rauch III,

Deputy Assistant Administrator for Regulatory Programs, National Marine Fisheries Service.

[FR Doc. 2025–19459 Filed 10–2–25; 8:45 am]

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Proposed Rules

Federal Register
Vol. 90, No. 190
Friday, October 3, 2025

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 84

[EPA–HQ–OAR–2025–0005; FRL–12166–01–OAR]

RIN 2060–AW39

Phasedown of Hydrofluorocarbons: Reconsideration of Certain Regulatory Requirements Promulgated Under the Technology Transitions Provisions of the American Innovation and Manufacturing Act of 2020

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The Environmental Protection Agency is proposing changes to regulations promulgated under the Technology Transitions section of the American Innovation and Manufacturing Act of 2020, which authorizes the Administrator to restrict the use of particular hydrofluorocarbons in the sectors and subsectors in which they are used. This proposal addresses administrative petitions and other requests from companies and trade associations across a number of subsectors, including refrigerated transport—intermodal containers, industrial process refrigeration and chillers for industrial process refrigeration used in semiconductor manufacturing, retail food refrigeration systems for remote condensing units and supermarkets, cold storage warehouses, refrigerated laboratory centrifuges, laboratory shakers, and condensing units in residential and light commercial air conditioning and heat pumps. This action proposes to allow previously manufactured and imported residential and light commercial air conditioning and heat pump equipment to continue to be installed. The Agency is also seeking advance comment on potential actions to address supply chain issues for a refrigerant blend.

DATES: Comments must be received on or before November 17, 2025. *Public hearing:* If a public hearing is requested on or before October 8, 2025, the EPA will hold a virtual public hearing on October 20, 2025. To request a public hearing, please submit a comment per the instructions in the **ADDRESSES** section. Please refer to the **SUPPLEMENTARY INFORMATION** section for additional information on the public hearing.

ADDRESSES: You may send comments, identified by Docket ID No. EPA–HQ–OAR–2025–0005, by any of the following methods:

- *Federal eRulemaking Portal: https://www.regulations.gov* (our preferred method). Follow the online instructions for submitting comments.
- *Email: a-and-r-Docket@epa.gov.* Include Docket ID No. EPA–HQ–OAR–2025–0005 in the subject line of the message.
- *Mail:* U.S. Environmental Protection Agency, EPA Docket Center, Air and Radiation Docket, Mail Code 28221T, 1200 Pennsylvania Avenue NW, Washington, DC 20460.
- *Hand Delivery or Courier:* EPA Docket Center, WJC West Building, Room 3334, 1301 Constitution Avenue NW, Washington, DC 20004. The Docket Center's hours of operations are 8:30 a.m. to 4:30 p.m., Monday–Friday (except Federal Holidays).

Instructions: All submissions received must include the Docket ID No. for this rulemaking. Comments received may be posted without change to *https://www.regulations.gov,* including personal information provided. For detailed instructions on sending comments and additional information on the rulemaking process, see the ''I. Public Participation'' heading of the **SUPPLEMENTARY INFORMATION** section of this document.

FOR FURTHER INFORMATION CONTACT: Joshua Silver, Stratospheric Protection Division, Office of Atmospheric Protection (Mail Code 6205A), Environmental Protection Agency, 1200 Pennsylvania Ave. NW, Washington, DC 20460; telephone number: (202) 564–2473; email address: *silver.joshua@epa.gov.* You may also visit the EPA's website at *https://www.epa.gov/climate-hfcs-reduction* for further information.

SUPPLEMENTARY INFORMATION: Throughout this document, whenever ''we,'' ''us,'' ''the Agency,'' or ''our'' is used, we mean the EPA. Acronyms that are used in this rulemaking that may be helpful include:

AC—Air Conditioning
AC/HP System—Air Conditioning and Heat Pump System
AHRI—Air-Conditioning, Heating, and Refrigeration Institute
AIM Act—American Innovation and Manufacturing Act of 2020
ANPRM—Advance Notice of Proposed Rulemaking
ASHRAE—American Society of Heating, Refrigerating and Air-Conditioning Engineers
BTU—British Thermal Units
CAA—Clean Air Act
CBI—Confidential Business Information
CFR—Code of Federal Regulations
CO_2—Carbon Dioxide
CUSER—Coalition for the Use of Safe and Efficient Refrigerants, Inc.
EPA—U.S. Environmental Protection Agency
FMI—Food Industry Association
FR—Federal Register
GWP—Global Warming Potential
HARDI—Heating, Air-Conditioning, and Refrigeration Distributors International
HCFC—Hydrochlorofluorocarbon
HFC—Hydrofluorocarbon
HFO—Hydrofluoroolefin
IPR—Industrial Process Refrigeration
ISO—International Organization for Standardization
MCA—Maximum Credible Accident
MMTEVe—Million Metric Tons of Exchange Value Equivalent
NAICS—North American Industry Classification System
OEM—Original Equipment Manufacturer
PBI—Proprietary Business Information
PFAS—Per- and Polyfluoroalkyl Substances
SEMI—Semiconductor Equipment and Materials International
SMRE—Semiconductor Manufacturing and Related Equipment
SNAP—Significant New Alternatives Policy
UL—Underwriters Laboratories (formerly)
U.S.C.—United States Code
VRF—Variable Refrigerant Flow

I. Public Participation

A. Written Comments

Submit your comments, identified by Docket ID No. EPA–HQ–OAR–2025–0005, at *https://www.regulations.gov* (our preferred method), or the other methods identified in the **ADDRESSES** section. Once submitted, comments cannot be edited or removed from the docket. The EPA may publish any comment received to its public docket. Do not submit to the docket at *https://www.regulations.gov* any information you consider to be Confidential Business Information (CBI), Proprietary Business Information (PBI), or other

information whose disclosure is restricted by statute. Multimedia submissions (audio, video, etc.) must be accompanied by a written comment. The written comment is considered the official comment and should include discussion of all points you wish to make. The EPA will generally not consider comments or comment contents located outside of the primary submission (*i.e.,* on the web, cloud, or other file sharing system). Please visit *https://www.epa.gov/dockets/commenting-epa-dockets* for additional submission methods; the full EPA public comment policy; information about CBI, PBI, or multimedia submissions; and general guidance on making effective comments.

B. Participation in Virtual Public Hearing

If a public hearing is requested on or before October 8, 2025, the EPA will post updates, including a link to register to attend the public hearing, at *https://www.epa.gov/climate-hfcs-reduction/regulatory-actions-technology-transitions.* If a public hearing is requested, the EPA will begin pre-registering speakers for the hearing no later than one business day after a request has been received. To pre-register to speak at the virtual hearing, please contact Joshua Silver at *silver.joshua@epa.gov.* Please note that any updates made to any aspect of the hearing are posted online at *https://www.epa.gov/climate-hfcs-reduction/regulatory-actions-technology-transitions.* While the EPA expects the hearing to go forward as set forth above if one is requested within the indicated timeframe, please monitor our website or contact Joshua Silver to determine if there are any updates. The EPA does not intend to publish a document in the **Federal Register** announcing updates.

II. General Information

A. Does this action apply to me?

You may be potentially affected by this rule if you manufacture, import, or use refrigerated transport intermodal containers, chillers and industrial process refrigeration equipment used in the manufacture of semiconductors, retail food refrigeration equipment for remote condensing units and supermarkets, refrigeration systems in cold storage warehouses, refrigerated centrifuge equipment, refrigerated laboratory shakers, condensing units used for residential and light commercial air-conditioning and heat pumps, or residential and light commercial air conditioning and heat pump systems. Potentially affected categories, by North American Industry Classification System (NAICS) code, are:

- 236116; New Multifamily Housing Construction (except For-Sale Builders)
- 236117; New Housing For-Sale Builders
- 236118; Residential Remodelers
- 236210; Industrial Building Construction
- 236220; Commercial and Institutional Building Construction
- 238220; Plumbing, Heating, and Air Conditioning Contractors
- 325120; Industrial Gas Manufacturing
- 333242; Semiconductor Machinery Manufacturing
- 333415; Air Conditioning and Warm Air Heating Equipment and Commercial and Industrial Refrigeration Equipment Manufacturing
- 333998; All Other Miscellaneous General Purpose Machinery Manufacturing
- 334413; Semiconductor and Related Device Manufacturing
- 335220; Major Household Appliance Manufacturing
- 423620; Household Appliances, Electric Housewares, and Consumer Electronics Merchant Wholesalers
- 423720; Plumbing and Heating Equipment and Supplies (Hydronics) Merchant Wholesalers
- 423730; Warm Air Heating and Air Conditioning Equipment and Supplies Merchant Wholesalers
- 423740; Refrigeration Equipment and Supplies Merchant Wholesalers
- 424410; General Line Grocery Merchant Wholesalers
- 424420; Packaged Frozen Food Merchant Wholesalers
- 445110; Supermarkets and Other Grocery (except Convenience) Stores
- 445131; Convenience Retailers
- 449210; Electronics and Appliance Retailers
- 452311; Warehouse Clubs and Supercenters
- 483111; Deep Sea Freight Transportation
- 484230; Specialized Freight (Except Used Goods) Trucking, Long-Distance
- 493120; Refrigerated Warehousing Storage
- 531110; Lessors of Residential Buildings and Dwellings
- 531120; Lessors of Nonresidential Buildings (except Miniwarehouses)
- 541380; Testing Laboratories
- 561210; Facilities Support Services
- 811412; Appliance Repair and Maintenance

This list is not intended to be exhaustive, but rather provides a guide for readers regarding entities likely to be regulated by this action. This table includes the types of entities that the EPA is now aware could potentially be regulated by this proposed action. Other types of entities not listed could also be regulated. To determine whether your entity may be regulated by this action, you should carefully examine the applicability criteria found in the regulatory text at the end of this document. If you have questions regarding the applicability of this proposed action to a particular entity, consult the person listed in the **FOR FURTHER INFORMATION CONTACT** section.

B. What action is the agency proposing to take?

This proposal addresses topics raised in administrative petitions and other requests from companies and trade associations with respect to regulatory provisions promulgated in the Code of Federal Regulations (CFR) pursuant to the American Innovation and Manufacturing Act of 2020 (AIM Act) subsection (i) (42 U.S.C. 7675(i)). In particular, the EPA received four administrative petitions [1] to reconsider certain provisions of 40 CFR part 84, subpart B, entitled ''Restrictions on the Use of Hydrofluorocarbons,'' that we finalized in October 2023.[2] We also received requests to reassess compliance dates and/or global warming potential (GWP) limits finalized in October 2023. This proposal addresses topics raised in the administrative petitions for reconsideration, the other requests, and other adjustments and clarifications that we believe would be beneficial to the regulated community. To address the administrative petitions for reconsideration, the EPA proposes to:

1. Change two aspects of the intermodal refrigerated transport provisions at 40 CFR 84.54(a)(6) and 84.54(c)(7) to: (a) adjust the lower bound temperature exclusion threshold of −50 °C to −35 °C, and (b) change the location where that temperature is measured.

2. Extend the compliance date for certain chillers used for industrial process refrigeration and certain industrial process refrigeration equipment used to manufacture semiconductors from January 1, 2026, and January 1, 2028, as applicable, to January 1, 2030.

3. Not make the requested change to the treatment of certain condensing units used to replace existing condensing units in the residential and light commercial air conditioning (AC) and heat pump (AC/HP) subsector.

To address a request from a trade association in the retail food industry,[3] the EPA proposes to:

1. Adjust the GWP threshold for remote condensing units at 40 CFR

[1] *See* administrative petitions for reconsideration included in the docket for this action.

[2] *See* ''Phasedown of Hydrofluorocarbons: Restrictions on the Use of Certain Hydrofluorocarbons Under the American Innovation and Manufacturing Act of 2020,'' 88 FR 73098 (Oct. 24, 2023) (2023 Technology Transitions Rule).

[3] *See* letter from the Food Industry Association (FMI), dated February 11, 2025, included in the docket for this action.

84.54(c)(11) from 150 or 300, as applicable, to 1,400 starting January 1, 2026, with a later adjustment to a GWP threshold of 150 or 300, depending on charge size or whether it is part of the high temperature side of a cascade system, starting January 1, 2032.

2. Adjust the GWP threshold for supermarket systems at 40 CFR 84.54(c)(12) from 150 or 300, as applicable, to 1,400 starting January 1, 2027, with a later adjustment to a GWP threshold of 150 or 300, depending on charge size or whether it is part of the high temperature side of a cascade system, starting January 1, 2032.

To address a request from a coalition in the cold storage industry,[4] the EPA proposes to adjust the GWP threshold for cold storage warehouses at 40 CFR 84.54(c)(9) from 150 or 300, as applicable, to 700 starting January 1, 2026, with a later adjustment to a GWP threshold of either 150 or 300, depending on charge size or whether it is part of the high temperature side of a cascade system, starting January 1, 2032.

To address requests with supporting information received from two companies that manufacture equipment used in laboratories,[5] the EPA proposes to extend the compliance date for certain industrial process refrigeration laboratory equipment to January 1, 2028.

To address concerns about supply chain issues related to R–454B, the EPA proposes to remove the installation deadline for systems in the residential and light commercial AC/HP subsector, where all specified components of such systems were manufactured or imported prior to January 1, 2025. The Agency is also seeking information through an advance notice of proposed rulemaking section for other potential actions to address supply chain issues.

This rule also proposes to correct a typographical error at 40 CFR 84.58(b).

C. What is the agency's authority for this proposed action?

The AIM Act authorizes the EPA to regulate hydrofluorocarbons (HFCs) in three main areas: phasing down the production and consumption of listed HFCs; management of these HFCs and their substitutes; and facilitating the transition to next-generation technologies by restricting use of these HFCs in the sector or subsectors in which they are used. This rulemaking focuses on the third area: the transition to next-generation technologies. Subsection (i) of the AIM Act, titled ''Technology transitions,'' provides that ''the Administrator may by rule restrict, fully, partially, or on a graduated schedule, the use of a regulated substance in the sector or subsector in which the regulated substance is used.'' (42 U.S.C. 7675(i)(1)). For additional discussion of the EPA's authorities under subsection (i) of the AIM Act, please refer to the 2023 Technology Transitions Rule (*see* 88 FR 73098).

In addition, subsection (k)(1)(A) of the AIM Act authorizes the EPA to promulgate such regulations as are necessary to carry out its functions under the Act, including its obligations to ensure that the Act's requirements are satisfied (42 U.S.C. 7675(k)(1)(A)). Subsection (k)(1)(C) further provides that Clean Air Act (CAA) sections 113, 114, 304, and 307 apply to the AIM Act and any regulations promulgated thereunder as though the AIM Act were part of title VI of the CAA (42 U.S.C. 7675(k)(1)(C)). Accordingly, this rulemaking is subject to the procedural requirements of CAA section 307(d) (*see* 42 U.S.C. 7607(d)(1)(I)).

Further, unless provided otherwise by statute, an agency may revise or rescind prior actions so long as it acknowledges the change in position, provides a reasonable explanation for the new position, and considers legitimate reliance interests in the prior position.[6]

III. Background

The EPA promulgated the 2023 Technology Transitions Rule on October 24, 2023 (*see* 88 FR 73098). That rule restricted the use of certain HFCs in three sectors and over 40 subsectors in which they are used by establishing various restrictions based on GWP. It prohibited, among other things, the manufacture and import of factory-completed products and the installation of certain refrigeration, AC, and heat pump systems that use HFCs or HFC blends with GWPs above specified limits. The compliance dates for these restrictions vary by sector and subsector and generally range from January 1, 2025, to January 1, 2028. The rule also prohibited the sale, distribution, and export of factory-completed products that do not comply with the relevant restrictions three years after the prohibition on manufacture and import goes into effect.

The EPA received four administrative petitions to reconsider certain aspects of the 2023 Technology Transitions Rule.[7] One petitioner requested that the EPA adjust the temperature threshold and temperature location for transport refrigeration—intermodal containers. Another requested an extension of the compliance date for process refrigeration equipment used in semiconductor manufacturing. Two separate petitioners requested that the EPA consider limiting import, manufacture, and installation of condensing units used for residential and light commercial AC/HP systems. The EPA responded to the administrative petitions in June 2024 by granting reconsideration.[8] This proposed rule proposes to address all four administrative petitions for reconsideration received with respect to the 2023 Technology Transitions Rule.

The EPA also received four requests to make certain adjustments to the restrictions at 40 CFR part 84, subpart B. On February 11, 2025, a trade association in the retail food industry submitted a request to adjust the compliance dates and GWP limits for certain retail food subsectors.[9] On March 6, 2025, a coalition in the cold storage industry submitted a request to adjust the GWP limit for cold storage warehouses.[10] Two companies that manufacture laboratory equipment also submitted requests to extend the compliance date for certain laboratory equipment. One company submitted a request on June 6, 2024, to extend the compliance date for refrigerated laboratory centrifuges.[11] The other company submitted a request on April 16, 2025, to extend the compliance date for laboratory shakers.[12] This proposed rule addresses these four requests as well.

In response to these requests and additional concerns identified within

[4] *See* request from the Coalition for the Use of Safe and Efficient Refrigerants (CUSER), dated March 6, 2025, included in the docket for this action.

[5] *See* requests from Thermo Fisher Scientific and Eppendorf, included in the docket for this action.

[6] *See FDA* v. *Wages & White Lion Invs., LLC,* 145 S. Ct. 898 (2025); *FCC* v. *Fox TV Stations, Inc.,* 556 U.S. 502 (2009); *Motor Vehicle Mfrs. Ass'n* v. *State Farm Mut. Auto. Ins. Co.,* 463 U.S. 29 (1983); *Clean Air Council* v. *Pruitt,* 862 F.3d 1, 8 (D.C. Cir. 2017) (''Agencies obviously have broad discretion to reconsider a regulation at any time.'').

[7] Three petitions for judicial review of the 2023 Technology Transitions Rule were also filed in the U.S. Court of Appeals for the D.C. Circuit and are being held in abeyance. *See Semiconductor Equipment & Materials Int'l* v. *EPA* (Case No. 23–1344, D.C. Cir.); *Chemours Co. FC, LLC* v. *EPA* (Case No. 23–1345, D.C. Cir.); and *Food Marketplace, Inc. et al.* v. *EPA* (Case No. 23–1347, D.C. Cir.).

[8] The four administrative petitions for reconsideration and the EPA's responses granting reconsideration are available in the docket for this action.

[9] *See* letter from FMI included in the docket for this action.

[10] *See* request from CUSER in the docket for this action.

[11] *See* request from Thermo Fisher Scientific in the docket for this action.

[12] *See* request from Eppendorf in the docket for this action.

the Agency and by a variety of stakeholders, the EPA announced a general reconsideration of the 2023 Technology Transitions Rule on March 12, 2025, as one of the deregulatory actions included in the Administrator's ''Powering the Great American Comeback'' initiative.[13] The EPA is proposing this action as part of the reconsideration process and seeks public input on potential changes to the regulatory program that we believe would better achieve the statute's objectives.

This proposed rule addresses restrictions in numerous distinct subsectors regulated under subsection (i) of the AIM Act. The EPA is independently considering each of those portions of this proposed rule. If the proposed changes are finalized, the EPA proposes that any changes to restrictions in distinct subsectors are severable. If a court were to review the EPA's final action and invalidate any particular change to a restriction, the EPA proposes that the remaining changes remain effective.

IV. Proposed Action

A. Refrigerated Transport—Intermodal Containers

1. Current Technology Transitions Provisions

Refrigerated transport—intermodal containers are refrigerated containers with an integrated power source that allow uninterrupted storage during transport on different mobile platforms, including railways, road trucks, and vessels (*see* 88 FR 73171). These intermodal containers used for refrigerated transport are regulated as products and systems at 40 CFR 84.54(a)(6) and (c)(7), respectively. As of January 1, 2025, these provisions restrict the manufacture and import of products, and the installation of systems, respectively, for refrigerated transport—intermodal containers to refrigerants with a GWP limit of less than 700. The 2023 Technology Transitions Rule established a temperature threshold and location of temperature measurement such that equipment is restricted when the temperature of the refrigerant entering the evaporator (for direct heat exchange systems) or the temperature of the fluid exiting (for chillers) is −50 °C or higher. These regulations do not apply where temperatures are below −50 °C.

In proposing the 2023 Technology Transitions Rule, the EPA originally proposed a GWP limit of 700 for all intermodal refrigerated transport equipment (*see* 87 FR 76738). We did not originally propose a lower bound temperature threshold (*e.g.,* −50 °C) that would exclude intermodal refrigerated transport equipment that could operate at a temperature below such a threshold. We received only one comment on the proposal about establishing temperature thresholds in this subsector. That commenter suggested that the GWP limit should be 700 for temperatures above −50 °C in this subsector, 2,000 for temperatures in the range of −75 °C to −50 °C, and that there be no restriction for temperatures below −75 °C. The EPA also received several comments on achieving low temperatures in other subsectors, including Industrial Process Refrigeration (IPR) and Chillers for IPR, in which commenters requested that we set a temperature threshold of −50 °C in those subsectors. Based on the information provided in these comments, we adopted a lower bound refrigerant temperature threshold of −50 °C in all of these subsectors in the final rule, and did not establish restrictions in these subsectors for equipment with refrigerant temperatures below −50 °C (*see* 88 FR 73098).[14]

2. Summary of Administrative Petition for Reconsideration

Trane Technologies (Trane), a manufacturer of intermodal containers that maintain a range of temperatures, petitioned the EPA to adjust the temperature threshold and temperature location for transport refrigeration—intermodal containers. Trane did not comment on this issue when the proposed 2023 Technology Transitions Rule was open for public comment. In its administrative petition for reconsideration, Trane requested the regulatory text at 40 CFR 84.54(a)(6) and (c)(7) be changed to, ''Effective January 1, 2025, refrigerated transport—intermodal containers *designed to reach and maintain −35 °C box temperature* or higher using a regulated substance, or a blend containing a regulated substance, with a global warming potential of 700 or greater.'' In particular, Trane requested that the EPA adjust the temperature threshold to distinguish between refrigerants used for deep frozen cargo and those used for fresh and frozen cargo. Specifically, Trane noted that deep frozen cargo containers are used to transport cargo that require temperatures at or below −35 °C and include critical life sciences products such as blood plasma and pharmaceuticals. The petitioner stated that intermodal containers used to transport deep frozen cargo must use refrigerants with lower boiling points, including R–404A and R–452A.[15] This contrasts with fresh and frozen cargo containers, which Trane noted are used to transport cargo that require temperatures that range from −30 °C to 30 °C, and can use HFC–134a and R–513A.[16] Trane has indicated that there are no available refrigerants with GWPs below 700 that can achieve and maintain box temperatures below −35 °C.

In the administrative petition, Trane also requested an adjustment to the location at which the temperature is measured from the ''temperature of the refrigerant entering the evaporator (for direct heat exchange systems) or the temperature of the fluid exiting (for chillers)'' to the ''box temperature'' because this measurement is more commonly used in this subsector. The petitioner requested that the EPA clarify that the temperature measurement be based on the lowest temperature at which the equipment is ''designed to reach and maintain.'' Trane further explained that this subsector uses direct expansion equipment, not chillers, so the reference to chillers in the regulatory text is unnecessary.

3. Proposed Action

The EPA proposes to adjust the temperature threshold and location where the temperature will be measured for restrictions on transport refrigeration—intermodal containers. In particular, the EPA proposes to raise the temperature threshold to −35 °C and adjust the location of the temperature measurement to be the box temperature.

The EPA excluded refrigerated transport—intermodal containers designed to operate at −50 °C and below in the 2023 Technology Transitions Rule based on comments received on the proposal on lower bound temperature thresholds for the refrigerated transport—intermodal containers, IPR, and Chillers for IPR subsectors. While we did not receive a comment from Trane about a lower bound temperature threshold for intermodal refrigerated transport during the comment period, Trane provided information shortly after publication of the final rule indicating that there are

[13] *See https://www.epa.gov/newsreleases/epa-launches-biggest-deregulatory-action-us-history.*

[14] The EPA issued a No Action Assurance on January 17, 2025, regarding the restrictions at 40 CFR 84.54(a)(6) and (c)(7), which remains in effect until either January 1, 2026, or the date when a rule that addresses such prohibitions is finalized, whichever occurs earlier.

[15] *See* email from Trane Technologies in the docket for this action.

[16] *See* Trane's materials submitted November 2023, provided in the docket for this action.

currently no available refrigerant substitutes that can meet the GWP limit of 700 and which are designed to achieve and maintain a box temperature below −35 °C.

The proposed changes would remove restrictions on certain intermodal containers that carry cargo transported at temperatures below −35 °C, which include blood plasma and pharmaceuticals, and are referred to in this proposal as deep frozen cargo. The EPA evaluated the additional information provided after publication of the final rule and agrees that refrigerants used to reach and maintain such low temperatures in intermodal containers require refrigerants with sufficiently low boiling points and high refrigerating capacities.[17] Thus, the EPA is proposing to revise the restrictions for refrigerated transport—intermodal containers, as described above. Trane also confirmed to the EPA on January 15, 2025, that they have transitioned to equipment operating below −35 °C and above −50 °C from R–404A to R–452A. R–452A has a GWP of 2,140, which is much lower than the GWP of 3,922 for R–404A, but still above the currently applicable 700 GWP limit.[18]

The EPA understands that refrigerated transport—intermodal containers that are designed to reach and can achieve temperatures below −35 °C may, at times, also be operated at higher temperatures. The EPA is clarifying that the lowest temperature at which equipment is designed to operate determines whether it is subject to use restrictions. This means that if a refrigerated transport—intermodal container has the capacity to achieve a box temperature below −35 °C, it would not be subject to restrictions even if at times the container is operated at temperatures at or above −35 °C.

While manufacturers and users of such equipment may opt to produce or purchase such equipment that has the capacity to operate at lower temperatures to avoid being subject to restrictions at 40 CFR 84.54, refrigerants and equipment that have the capacity to achieve these lower temperatures are more costly and present additional technical requirements that make operation more difficult. Trane has indicated that refrigerated transport—intermodal containers that transport cargo at temperatures above −35 °C are designed per the ISO 668 standard, while similar equipment that transport cargo at temperatures below −35 °C are designed per the ISO 1496–2 standard.[19] As such, the EPA does not expect that regulating equipment based on the temperature it is designed to achieve, rather than the temperature at which it operates, would present a loophole for producers and consumers.

The EPA is also proposing that the location of the temperature measurement for refrigerated transport—intermodal containers be the box temperature. The EPA did not specifically solicit comment on this issue in proposing the 2023 Technology Transitions Rule because we did not propose a temperature threshold (*see* 87 FR 76738). Rather, the EPA finalized the location at which the temperature would be measured based on comments received on the IPR and Chillers for IPR subsectors. The information provided by Trane after finalization of the 2023 Technology Transitions Rule demonstrates that equipment in this subsector is designed based on the air temperatures that can be achieved and maintained inside the intermodal container, also known as the box temperature. The EPA is therefore proposing to change how temperature is measured to align with common industry practice, thereby improving efficiency.

The EPA requests comment on the proposed changes discussed in this section concerning intermodal containers, including on any significant reliance interests on the existing GWP limits and mode of measurement and how we should account for any such reliance interests in any final action.

B. Industrial Process Refrigeration and Chillers for Industrial Process Refrigeration in Semiconductor Manufacturing

1. Current Technology Transitions Provisions

The EPA considers refrigeration equipment used in semiconductor manufacturing to fall within the IPR and Chillers for IPR subsectors (*see* 88 FR 73119). The refrigeration equipment is often built into specialized machines that sort, mark, and cut wafers during the semiconductor manufacturing process, referred to as ''Semiconductor Manufacturing and Related Equipment,'' or SMRE, throughout this proposed rule. SMRE may operate at a range of temperatures depending on the function being performed and typically must maintain precise temperatures to produce high-quality semiconductor wafers.

IPR systems are used to cool process streams at a specific point in manufacturing and other industrial processes (*e.g.,* in the chemical, pharmaceutical, and petrochemical industries). IPR systems are directly linked to the industrial process, meaning the refrigerant leaving the condenser and metering device is delivered directly to the heat source before returning to the compressor (*see* 88 FR 73141–2).

A chiller is a type of equipment that uses refrigerant to cool water or a brine solution that is then pumped to fan coil units or other air handlers to cool the air that is supplied to the conditioned spaces. The heat absorbed by the water or brine can be used for heating purposes and/or transferred directly to the air (''air-cooled''), to a cooling tower or body of water (''water-cooled''), or through evaporative coolers (''evaporative-cooled'') (*see* 88 FR 73174). Chillers can be used to cool process streams in industrial applications; in such instances, these chillers are regulated as ''Chillers for IPR'' and not as ''IPR.'' Throughout this proposed rule, the term IPR refers to IPR equipment that does not use chillers. The term Chillers for IPR refers to IPR equipment that utilizes chillers.

Restrictions on the use of HFCs and HFC blends in IPR and Chillers for IPR, including process equipment used to manufacture semiconductors, are implemented at different GWP thresholds (150, 300, and 700). The restrictions put in place by the 2023 Technology Transitions Rule begin on either January 1, 2026, or January 1, 2028, depending on charge size and the temperature at which the equipment is designed to operate. These restrictions do not include IPR or Chillers used for IPR at temperatures below −50 °C. For the IPR subsector, restrictions can be found at 40 CFR 84.54(a)(12) and 84.54(c)(10). For the Chillers for IPR subsector, restrictions can be found at 40 CFR 84.54(a)(10)(iii) and (iv), and 84.54(c)(5) and (6).

2. Summary of Administrative Petition for Reconsideration

Semiconductor Equipment and Materials International (SEMI) petitioned the EPA on December 22, 2023, to reconsider the compliance dates that affect SMRE for the IPR and Chillers for IPR subsectors. The administrative petition did not include a request for relief from the restrictions at 40 CFR 84.54(a)(12)(i) (IPR with a refrigerant charge capacity of 200 pounds or greater) or 84.54(c)(10)(i) (Chillers for IPR with a refrigerant charge capacity of 200 pounds or

[17] *See* table of refrigerants (R–404A, R–452A, R–513A, R–450A, R–744), their boiling points, and refrigerating capacities, included in the docket for this action.

[18] *See* answers to questions from Trane included in the docket for this action.

[19] *See* Trane's materials submitted November 2023, provided in the docket for this action.

greater). In a supplemental letter, SEMI clarified that the administrative petition seeks relief only for SMRE that have a charge size of 100 pounds or less. The administrative petition also did not include a request to adjust the restriction at 40 CFR 84.54(c)(6). However, in a supplemental letter to the Agency, SEMI clarified their interest in seeking reconsideration of this provision.[20]

SEMI also requested in their administrative petition either that the semiconductor manufacturing industry be exempted from the relevant restrictions at 40 CFR 84.54 or that the relevant compliance dates be extended.[21] SEMI later clarified that it requests the compliance dates for the restrictions on SMRE be extended to 2030. For the relevant restrictions with compliance dates of January 1, 2026, or January 1, 2028, SEMI requested delaying the compliance date to January 1, 2030. SEMI stated that ''2030 is a more realistic compliance date given the projected commercial availability of low-Global Warming Potential (GWP) equipment.'' Five SMRE suppliers also submitted letters to the Agency between May 2024 and August 2024 indicating their support of SEMI's request to extend the relevant compliance dates to January 1, 2030.[22]

SEMI asserted that equipment using substitute refrigerants that fit this industry's unique circumstances will not be available by the current compliance dates and estimated that developing and implementing alternatives that are fit for purpose could take five years.[23] In particular, SEMI noted that to manufacture semiconductors, process refrigeration equipment must be able to maintain precise control of narrow temperature tolerances, which can be as small as 0.1 °C ± 0.05 °C for some applications. SEMI explained that precise control is required to realize process performance, including a uniform application of photoresist coatings. They noted that small changes in temperature during production can impact semiconductor device features, product functionality, and product yields. For example, SEMI described how a 1 °C change in temperature in a projection lens can result in a few microns accuracy loss and would be ''catastrophic'' [24] for semiconductor production. This example supports SEMI's contention that temperature control capabilities must be much more precise than 1 °C.

SEMI also explained that using certain alternatives such as R–744,[25] or mildly flammable or flammable alternatives as a refrigerant in SMRE, would require changing how equipment is integrated into semiconductor manufacturing facilities or limiting the capabilities of the process equipment. For R–744, this could include a larger facility footprint and higher power input than required for current technology, larger compressors operating at high pressure that would require new safety precautions and certifications, shorter lifetime of equipment due to operation at higher operating pressures, and limitations to achieving temperatures below −20 °C.[26] For mildly flammable or flammable alternatives, this could include changing the layout of the facility, increasing ventilation to account for building code compliance, factoring in safety risks, and accounting for floor space that may be lost as a result of reconfigurations.

SEMI has noted that semiconductor manufacturing facilities are typically densely packed and that integrating changes into the facility layout may take additional time. Further, SEMI stated that substitute refrigerants used in this industry require thorough testing to ensure they can meet the safety requirements described above. SEMI also noted that due to the complexity of the manufacturing process and limitations within semiconductor manufacturing facility layouts, testing to verify conformance can result in lengthy qualification timelines and iterative enhancements to meet end process requirements.[27]

The industry is testing substitutes; however, information provided by SEMI and semiconductor equipment suppliers indicates that substitutes will not be available by the current compliance dates. For example, SEMI stated that R–744 offers a potential path, yet some challenges would require further validation and testing, including those challenges listed above.[28]

SEMI has indicated that although R–728 [29] may also be a viable refrigerant, it would not be tested and validated in time to meet the current compliance dates.[30] SEMI also indicated that R–32 and R–454C are not immediately viable solutions because they both pose flammability concerns, and R–32 would not meet the GWP threshold for all SMRE use cases.

Finally, SEMI noted that SMRE are custom-engineered and that equipment availability is limited to meet the precise temperature and humidity control requirements, particularly in the range between −50 °C and −30 °C. Due to the combination of factors that present unique circumstances for this industry, SEMI asserted that the development of substitutes for SMRE will take more time than for IPR and Chillers for IPR used in other sectors.[31]

SEMI's administrative petition also notes adverse impacts that may occur absent the requested changes. These include, but are not limited to, facility and production line downtime, purchase of legacy equipment for replacement purposes to avoid such downtime, stockpiling legacy equipment, facility redesign, and additional testing of compliant refrigerants.

3. Proposed Action

The EPA proposes to delay the compliance dates for SMRE with charge sizes of 100 pounds or less used in the subsectors indicated at 40 CFR 84.54(a)(10)(iii), (iv), 84.54(a)(12)(ii), (iii), 84.54(c)(5), (6), 84.54(c)(10)(ii), (iii), and (iv) from January 1, 2026, or January 1, 2028, as applicable, until January 1, 2030. Based on the information provided after publication of the 2023 Technology Transitions Rule, the EPA agrees that the semiconductor manufacturing industry faces unique circumstances in manufacturing semiconductors, including ensuring that substitutes can satisfy precise temperature control requirements. The EPA reviewed the latest available information provided by industry, including from semiconductor equipment manufacturers, that indicate that the equipment is highly specialized and requires compact footprints and precise temperature controls, and proposes to find that substitutes will not be developed in time to meet the current compliance dates. Thus, the EPA is proposing revisions to the regulations.

[20] *See* SEMI's letter to the EPA, dated May 3, 2024, in the docket for this action.

[21] *See* SEMI's letter to the EPA, dated May 3, 2024, in the docket for this action.

[22] *See* letters of support from Haskris, Lam, SMC, Tokyo Electron Ltd., and Advanced Thermal Sciences in the docket for this action.

[23] *See* SEMI's supplemental submission to the EPA, dated June 18, 2024, in the docket for this action.

[24] Ibid.

[25] R–744 is the ASHRAE refrigerant designation for carbon dioxide.

[26] *See* SEMI's supplemental submission to the EPA, dated June 18, 2024, and SEMI's Petition for Reconsideration in the docket for this action in the docket for this action.

[27] *See* SEMI's letter to the EPA, dated May 3, 2024, in the docket for this action.

[28] *See* SEMI's supplemental submission to the EPA, dated June 18, 2024, in the docket for this action.

[29] R–728 is the ASHRAE refrigerant designation for nitrogen gas (N_2).

[30] *See* February 20, 2024, SEMI meeting with the EPA in the docket for this action.

[31] *See* SEMI's letter to the EPA, dated May 3, 2024, in the docket for this action.

Informed by discussions with and information submitted by SEMI, its members, SMRE manufacturers, and other interested parties, the EPA is not proposing to exempt IPR and Chillers for IPR used in semiconductor manufacturing from the requirements at 40 CFR 84.54. Instead, the EPA agrees with the petitioner that although compliance work is underway, additional time is needed to test and qualify the viability of equipment using compliant refrigerants. The EPA also acknowledges the letters submitted by five semiconductor manufacturing equipment suppliers in 2024 that provided additional details on the time needed to test and validate alternatives, and thus supported SEMI's request to extend the relevant compliance dates to January 1, 2030.[32] Therefore, the EPA is proposing a new compliance date of January 1, 2030, for IPR and Chillers for IPR with charges sizes up to 100 pounds used in SMRE.

The EPA understands that IPR and Chillers for IPR used in the semiconductor manufacturing industry may operate at one temperature while being designed to reach lower temperatures. As stated in section IV.A. of this preamble, the lowest temperature at which equipment is designed to operate determines whether it is subject to use restrictions.

The EPA requests comment on the proposed changes for SMRE, and specifically on the proposed compliance date for SMRE of January 1, 2030, for all affected equipment. We also request comment on the charge size threshold applicable to this use. Although we are not proposing to exempt this equipment from the restrictions at 40 CFR 84.54, we request comment on such an exemption. Finally, we request comment on whether there are any legitimate reliance interests on the current requirements and, if so, how the EPA should account for them in any final action.

C. Retail Food Refrigeration—Remote Condensing Unit Systems and Supermarket Systems

1. Current Technology Transitions Provisions

Remote condensing units are a type of retail food refrigeration equipment with refrigerating capacities typically ranging from 1 kW to 20 kW (0.3 to 5.7 refrigeration tons) and are composed of one (and sometimes two) compressor(s), one condenser, and one receiver assembled into a single unit, normally located external to the sales area. This equipment is connected to one or more nearby evaporator(s) used to cool food and beverages stored in display cases and/or walk-in storage rooms. A cascade system might be used, for example, to reach low temperatures in a long-term storage room. A supermarket often uses remote condensing units in food retail environments such as dairy and deli displays. Remote condensing units are also commonly installed in convenience stores and specialty shops, such as bakeries and butcher shops (*see* 88 FR 73157).

Supermarket systems, also known as multiplex or centralized systems, operate with racks of compressors installed in a machinery room where different compressors turn on to match the refrigeration load necessary to maintain temperatures in display cases in the sales area. Two main designs are used: direct and indirect systems. In a direct system, the refrigerant circulates from the machinery room to the sales area, where it evaporates in display-case heat exchangers, and then returns in vapor phase to the suction headers of the compressor racks.[33] Indirect supermarket designs include secondary loop systems and cascade refrigeration systems. Indirect systems use a chiller or other refrigeration system to cool a secondary fluid that is then circulated throughout the store to the cases. Compact chiller versions of an indirect system rely on a lineup of 10 to 20 units, each using small charge sizes. As the refrigeration load changes, so does the number of active chillers. Each compact chiller is an independent unit with its own refrigerant charge, reducing the potential volume of refrigerant that could be released from leaks or catastrophic failures. Despite the term ''chiller'' used in the description, these systems are considered supermarket systems for purposes at 40 CFR part 84, subpart B. Another type of supermarket design, often referred to as a distributed refrigeration system, uses an array of separate compressor racks located near the display cases rather than having a central compressor rack system. Each of these smaller racks handles a portion of the supermarket load, with 5 to 10 such systems in a store[34] (*see* 88 FR 73157–8).

The 2023 Technology Transitions Rule established restrictions on the use of HFCs in new remote condensing unit systems and new supermarket systems installed starting January 1, 2026, and January 1, 2027, respectively. For both, the GWP limit is 150 for systems with refrigerant charge capacities greater than or equal to 200 pounds, and 300 for systems with refrigerant charge capacities less than 200 pounds or for the high temperature side of cascade systems irrespective of the total charge capacity. The EPA distinguished between larger and smaller remote condensing units and supermarket systems by their refrigerant charge capacity based on a distinction between charge sizes in the safety standards (*see* 87 FR 76775–6). The EPA also indicated that several new compliant substitutes would soon be listed under the EPA's Significant New Alternatives Policy (SNAP) program for use in these subsectors, as proposed in SNAP Rule 26, and thus would be available before the 2026 or 2027 compliance dates (*see* 88 FR 33722; May 24, 2023). The EPA finalized SNAP Rule 26 on June 13, 2024 (*see* 89 FR 50410). In this rulemaking, the EPA is taking into consideration the listings that were made under the SNAP program since finalization of the 2023 Technology Transitions. Restrictions on remote condensing unit systems are implemented at 40 CFR 84.54(c)(11)(i), (ii), and (iii). Restrictions on supermarket systems are implemented at 40 CFR 84.54(c)(12)(i), (ii), and (iii).

2. Summary of Stakeholder Concerns

Certain food retailers and the Food Industry Association (FMI) expressed concerns about the limited number and types of substitutes that the EPA determined in the 2023 Technology Transitions Rule would be available for use in remote condensing units and supermarket systems by the January 1, 2026, and January 1, 2027, compliance deadlines, respectively. Specifically, they stated that the rule restricts the food industry to a handful of refrigerant alternatives, including R–744, A2Ls, A3s, and ammonia, which they stated are either impractical, infeasible, or create safety concerns.[35]

These food retailers asserted that R–744 technologies in their current state expend a significant amount of energy to function at a cooling level comparable to commonly used HFCs,

[32] *See* letters of support (received May-August 2024) from semiconductor equipment manufacturers, included in the docket for this action.

[33] Supermarket walk-in cold rooms are often integrated into the system and cooled similarly, but a dedicated condensing unit can be provided for a given storage room.

[34] A supermarket may also use other types of refrigeration equipment covered by separate subsectors, including stand-alone units, remote condensing units, refrigerated beverage dispensers, and ice machines. Such equipment is not a part of the ''supermarket system'' subsector for purposes of 40 CFR part 84, subpart B merely by being located in a supermarket.

[35] *See* FMI's letter to the EPA, dated February 11, 2025, in the docket for this action.

that such technologies are unreliable, that leaks are difficult to detect and repair, and that such leaks can be catastrophic to the system's performance.[36] In a meeting with the EPA on April 18, 2025, the food retailers shared that since water is used to cool R–744 in such systems, some states' water laws, like those in Nevada, would be prohibitive to the effective use of R–744 systems.[37] They also asserted in that meeting that R–744 is not suitable for very large stores, such as those that are 50,000 square feet or larger. They also raised concerns about using ammonia, a regulated, toxic, and flammable substance, in some retail environments for safety reasons.[38] These food retailers have also said that flammable refrigerants, such as A2L and A3 refrigerants, may not be universally available due to delays in updates to local building codes and potential shortages in technicians trained to use these flammable refrigerants. Furthermore, these food retailers are concerned that future regulation of per- and polyfluoroalkyl substances (PFAS) could require retailers to change systems again from certain compliant fluorinated refrigerants to others.[39] Based on these concerns, food retailers requested additional time to allow the technology and building codes to catch up. They requested that the compliance deadlines be pushed back to the end of 2032 with an interim GWP limit of 1,400.[40]

FMI also recently requested clarifications and potential changes to the codified regulations at 40 CFR 84.54(e)(2) and (3) to ensure that routine store refreshes, remodels, or layout changes do not trigger the requirements for new systems.[41] These regulations set forth two scenarios in which the EPA would consider modifications to an existing system to be equal to a new installation requiring the use of compliant refrigerants:

- When an existing system's cooling capacity is increased as measured in British Thermal Units (BTU) per hour, and
- When replacing 75 percent or more of evaporators (by number) and 100 percent of the compressor racks, condensers, and connected evaporator loads of an existing system.

FMI stated that ''when grocery stores undergo remodeling activities, it is normal and routine for stores to modestly expand the cooling capacity of existing systems to accommodate additional products and layouts.'' FMI gave a specific example in which expanding a refrigerated case by 60 inches could trigger the need for a store to install an entirely new system using compliant refrigerant because it might increase the overall cooling capacity of the system. In the same correspondence, FMI also stated that to address this concern, the EPA should allow supermarkets to increase the cooling capacity measured in BTU per hour by up to 25 percent before the equipment is considered a new system. Finally, FMI raised concerns about whether the Agency considers modifications of an existing system to count as ''retrofits'' under the AIM Act.

3. Summary of Proposed Changes

The EPA is proposing to revise the restrictions finalized at 40 CFR part 84, subpart B, to provide a graduated schedule for the use of HFCs in new remote condensing units and supermarket systems. Specifically, we propose an interim GWP limit of 1,400 starting January 1, 2026, for new remote condensing units and starting January 1, 2027, for new supermarket systems. Starting January 1, 2032, the GWP limit for both remote condensing units and supermarket systems would fall back to 150 or 300, depending on certain characteristics of the system. Consistent with the existing restrictions, the GWP limit of 150 would apply to systems with 200 or more pounds of refrigerant charge, excluding the high temperature side of a cascade system, and the GWP limit of 300 would apply to systems with less than 200 pounds of refrigerant charge, or for the high temperature side of a cascade system. The EPA anticipates widespread adoption of lower-GWP HFC or non-HFC refrigerants in these two subsectors—but not before the current compliance dates of January 1, 2026, and January 1, 2027. An increase in the GWP limit would temporarily extend the use of currently available mid-GWP HFC refrigerants, limit the use of the highest-GWP HFC refrigerants, and ease the transition to new substitutes as they penetrate the marketplace. This proposal would not prevent anyone from choosing to use the lower-GWP refrigerants that the EPA has previously identified and that continue to be deployed in new systems throughout the United States.

The first step of this proposed approach would be to establish a GWP limit of 1,400 starting January 1, 2026, for remote condensing unit systems, and January 1, 2027, for supermarket systems, lasting until 2032. The EPA is proposing an interim GWP limit on the existing compliance dates instead of just extending those dates. Historically, refrigeration systems in these subsectors have used refrigerants with higher GWPs, including R–404A, R–407A, R–507A, and R–22. These refrigerants' GWPs are 3,922, 2,107, 3,985, and 1,810, respectively, and additionally, R–22 is an ozone depleting substance that has been phased out consistent with the requirements of Title VI of the CAA and its implementing regulations. By maintaining a GWP limit in 2026 and 2027 for remote condensing units and supermarket systems, respectively, the installation of such higher-GWP refrigerants in new systems can be eliminated while providing optionality and flexibility in the near term. Retaining the January 1, 2026, and January 1, 2027, deadlines would align with subsection (i)(4)(D) of the AIM Act by preventing new demand for high-GWP refrigerants (42 U.S.C. 7675(i)(4)(D)).

The EPA is proposing a GWP limit of 1,400 for 2026 and 2027. This GWP limit would allow for the continued use of R–448A and R–449A, which are HFC blends with GWPs of 1,386 and 1,396, respectively. Many supermarkets have transitioned to R–448A or R–449A,[42] and the industry has stated that these options would address their concerns about the availability of substitutes.

R–448A and R–449A are classified under ASHRAE as A1 refrigerants, meaning they are non-flammable and non-toxic. Some industry stakeholders have expressed a need for local building codes to be updated before A2L refrigerants can be used in designs for new remote condensing unit and supermarket systems. At the time of the 2023 Technology Transitions Rule, a majority of states (41) had made updates to state codes or passed state legislation to allow for the use of these refrigerants. At the time of this proposed rulemaking, 49 states have taken action allowing for the use of A2L refrigerants.[43] While the EPA considered actions taken at the state level to address building codes to be on track and projected that additional changes for the remaining states would

[36] Ibid.

[37] *See* meeting memorandum in the docket for this action.

[38] *See* FMI's letter to the EPA, dated February 11, 2025, in the docket for this action.

[39] R–744, hydrocarbons, and ammonia are not considered PFAS. The EPA notes that the federal government has not adopted a specific definition of PFAS and has not included HFCs or HFOs in any PFAS-related restrictions.

[40] *See* FMI presentation dated April 18, 2025, included in the docket for this action.

[41] *See* email from FMI dated April 24, 2025, included in the docket for this action.

[42] *See* FMI's letter to the EPA, dated February 11, 2025, in the docket for this action, and GreenChill ''Partnership Accomplishments'' at *https://www.epa.gov/greenchill/partnership-accomplishments.*

[43] *See* AHRI building code map data, included in the docket for this action.

occur ahead of the compliance dates (which would set the expectations for localities), food retailers have recently indicated that in some states, the lack of changes to local building codes [44] prevent the use of mildly flammable refrigerants in certain communities for some time. According to information provided by FMI, 30 states allow local jurisdictions to supersede the state requirements for relevant building codes. In other words, even if a state allows for the use of A2L refrigerants, local jurisdictions may still prevent their introduction. To address these concerns identified by these food retailers and FMI, under this proposal, a broader number of A1 refrigerants, including those with GWPs above the current thresholds, could continue to be used in new remote condensing unit and supermarket system installations after 2026 and 2027. This would allow more time for local building codes to be updated, for additional refrigerants to be introduced, and for food retailers to gain further experience with other lower-GWP A1 refrigerants (*e.g.,* R–744).

By proposing these changes to the compliance schedule, the EPA is recognizing regional differences that may affect the adoption of substitutes. As discussed in the 2023 Technology Transitions Rule, the EPA is aware that lower-GWP substitutes are currently used in some supermarkets. However, we acknowledge that the impacted subsectors are large and varied and that additional time will smooth the transition for these subsectors that have diverse needs and circumstances.

Supermarkets and grocery stores—and the businesses that run them—range from big to small and are located in all climates. Some supermarkets and grocery stores may prefer one option over another due to capital costs or energy efficiency considerations. For example, installing R–744 systems in stores in colder climates may be preferable given the energy efficiency benefits of R–744 systems in such climates as compared to HFC-containing refrigerants. The EPA understands that certain retailers may choose to use R–744 in warmer climates, too. However, the EPA received information indicating that installing R–744 systems in stores in warmer climates may be less preferred because the energy efficiency benefits can be lower.

Many supermarkets across the United States are already using compliant, lower-GWP substitute refrigerants such as R–744.[45] One manufacturer of supermarket refrigeration systems shared with the EPA that its shipments of R–744-containing systems have risen over the last several years to the extent that in 2024, its shipments of such equipment surpassed that of HFC-containing systems annually for the first time.[46] With approximately 400 new R–744 systems installed in supermarkets across the United States in 2024, the EPA expects the installation of R–744 systems in supermarkets to continue to rise in all climates in the coming years. In addition to R–744, chemical suppliers are advertising lower-GWP substitutes specifically for use in supermarkets [47] and some stores have made the transition to lower-GWP A2L substitutes.[48]

The EPA indicated in the 2023 Technology Transitions Rule that several lower-GWP substitutes, including R–744 and some A1 and A2L refrigerants, were available or would soon be available in time for the remote condensing unit or supermarket subsector compliance dates of 2026 or 2027, respectively (*See* 88 FR 73098). This was based partly on the understanding that SNAP Rule 26 would list several of these identified substitutes as acceptable for the subsectors, subject to use conditions, soon after finalization of the 2023 Technology Transitions Rule. The EPA subsequently finalized SNAP Rule 26 (*see* 89 FR 50410; June 13, 2024) and listed seven A2L substitutes as acceptable, subject to use conditions, for use in new remote condensing units and new supermarket systems. These are HFO–1234yf, HFO–1234ze(E), R–457A, R–516A, R–454C, R–455A, and R–454A, which have GWPs of 1, 1, 137, 140, 146, 146, and 237, respectively. Notably, all except one have a GWP below the 150 GWP threshold, which satisfies the restrictions for installation in new remote condensing units and supermarket systems that have a charge size of 200 pounds or more. All of these refrigerants could also be installed in such systems that have a charge size less than 200 pounds, or as part of the high temperature side of a cascade system, since they all have a GWP below 300. While increasing the number of refrigerants listed as acceptable under the SNAP program will provide more options in the long term, more time is needed for chemical suppliers to provide acceptable substitutes in sufficient quantities, for equipment manufacturers to develop equipment for these substitutes, and for this equipment to be incorporated into new supermarket system designs and be deployed.

The last step of this proposed approach would therefore be to establish a GWP limit of 150 or 300, depending on certain characteristics of the systems, starting January 1, 2032, for both remote condensing units and supermarket systems. The GWP limit of 150 is for systems with 200 or more pounds of refrigerant charge, excluding the high temperature side of a cascade system. The GWP limit of 300 is for systems with less than 200 pounds of refrigerant charge, or for the high temperature side of a cascade system. In other words, the existing compliance obligations that are in 2026 or 2027 would move to 2032 for both subsectors. Available substitutes in 2032 for these subsectors would be limited to lower-GWP options, including R–744 and a host of A1 and A2L refrigerants, including those described above.

The EPA anticipates that by January 1, 2032, any remaining building code issues would be fully resolved, given that the UL safety standard updates addressing these refrigerants will have been published more than a decade prior (*i.e.,* 2021).[49] Information provided by food retailers indicates that updating model codes at a local level could take up to eight years.[50] The EPA also expects that other constraints on the availability of identified substitutes, such as concerns with using R–744 due to the efficiency of those systems in warmer climates, will have diminished as technology improves and the number of equipment offerings increase.

We also expect that other forces will continue to encourage the ongoing transition of equipment used in these subsectors. The HFC phasedown established by Congress in the AIM Act will continue to limit the production and consumption of HFCs, with a significant stepdown in 2029 (42 U.S.C. 7675(e)(2)(C)).[51] Extending the compliance date for these subsectors to 2032 preserves optionality and

[44] *See* FMI presentation dated April 18, 2025, included in the docket for this action.

[45] *See* Dover Food Retail presentation included in the docket for this action.

[46] Ibid.

[47] *See* information in the docket related to suppliers advertising lower-GWP substitutes specifically for use in supermarkets.

[48] *See* Dover Food Retail presentation and other information included in the docket for this action.

[49] *See* UL 60335–2–89 standard, ''Household and Similar Electrical Appliances—Safety—Part 2–89: Particular Requirements for Commercial Refrigerating Appliances and Ice-Makers with an Incorporated or Remote Refrigerant Unit of Moror-Compressor.'' Edition 2, dated October 27, 2021.

[50] *See* presentation from FMI dated April 18, 2025, included in the docket for this action.

[51] *See* ''Phasedown of Hydrofluorocarbons: Establishing the Allowance Allocation and Trading Program Under the American Innovation and Manufacturing Act,'' 86 FR 55116 (Oct. 5, 2021).

flexibility in the interim period and allows this market pressure and the advantages of many of the new refrigerants to drive the continued transition to identified substitutes as the commercial availability of newer substitutes matures. The EPA thus expects that refrigerant options that have a GWP below 150 or 300, as applicable, including those identified as available substitutes for remote condensing units and supermarkets in the 2023 Technology Transitions Rule and those listed in SNAP Rule 26 for these subsectors, will be available for these subsectors by January 1, 2032.

The EPA requests information regarding challenges associated with local building codes as well as information on the suitability of lower-GWP refrigerants in certain climates and for certain store designs, including whether R–744 is suitable for refrigeration systems in large supermarkets and in warmer climates.

Separately, the EPA understands that although supermarkets routinely refresh, remodel, or make changes to their store layouts, moving refrigerated aisles within a store from one location to another would be a rather significant change. During the hydrochlorofluorocarbon (HCFC) phaseout, the CAA and our implementing regulations limited the use of newly produced R–22 only for the servicing of existing equipment, which generated similar questions about what was considered a new system versus an existing system. Through scenarios provided on its website at the time, the EPA explained that virgin R–22 may not be used in a system that has become a newly-manufactured system through an increase in cooling capacity (*i.e.,* expansion).[52] In the 2023 Technology Transitions Rule, the EPA addressed the specific requests for greater specificity by including the provisions at 40 CFR 84.54(e)(2) and (3) regarding an increase in cooling capacity and specifying the number and type of components needed to be replaced to trigger the requirements. The EPA's intention, consistent with past practice, was not to prevent minor changes from occurring that may be part of a refresh, remodel, or change in layout.

To address concerns raised by stakeholders that the provisions at 40 CFR 84.54(e)(2) and (3) may result in supermarkets having to replace legacy systems before the end of their useful life, the EPA is requesting comment on whether expansion of cooling capacity in BTU/hour (*e.g.,* 25 percent) would be allowable during a remodel of a supermarket system without triggering the requirements at 40 CFR 84.54(e). We are considering what the appropriate cooling capacity expansion would be during a store refresh and are soliciting comment on what level would accommodate such system changes. We currently do not have data that would support a particular percentage increase in a supermarket system's cooling capacity that would be typical or expected to occur, as part of a refresh, remodel, or change in layout, and whether these three activities are actually the same. We are aware that during a refresh, remodel, or layout change, improvements such as installing doors can often reduce the BTU output needed.[53] A change in a store layout that results in moving the refrigerated aisles may be more significant than other types of store refreshes or remodels. Refrigerated cases may also be reorganized without adding additional compressors and condensers in the back of the store. Our current understanding is that such changes would be very different than a layout change that would move the refrigerated aisles. We are interested in better understanding the change in BTU output that typically results from a refresh, remodel, or layout change. Accordingly, the EPA requests comment on the extent to which this is a concern for supermarkets and what an appropriate threshold would be for supermarket systems undergoing a periodic refresh. If possible, such comments should include data from past store remodels for the Agency to understand and act on this concern. We are considering this issue only in the context of supermarket systems and are not proposing changes that would warrant considering the issue in other sectors or subsectors.

For clarity, the EPA also notes that a ''retrofit'' is distinct from a store ''refresh,'' ''remodel,'' or ''layout change.'' The AIM Act states that for purposes of regulations issued under subsection (i), the term ''retrofit'' ''means to upgrade existing equipment where the regulated substance is changed, which (1) includes the conversion of equipment to achieve system compatibility; and (2) may include changes in lubricants, gaskets, filters, driers, valves, o-rings, or equipment components for that purpose'' (42 U.S.C. 7675(i)(7)(A)). Thus, a retrofit, for purposes of the restrictions at 40 CFR part 84, subpart B, requires a change in the type of refrigerant used in a system (*e.g.,* switching from R–404A to R–448A). The EPA adopted that definition in the regulations at 40 CFR 84.52 and stated that the requirements of the 2023 Technology Transitions Rule do not apply to retrofits.[54] Neither the GWP limits nor the provisions at 40 CFR 84.54(e), which specify when a system is sufficiently modified to be characterized as new and subject to the restrictions, currently apply to a retrofit. The EPA understands the request from FMI to allow expansion of cooling capacity in BTU/hour up to a certain percent without triggering the requirements at 40 CFR 84.54(e) to pertain to situations where the same refrigerant is used after the remodel.

D. Cold Storage Warehouses

1. Current Technology Transitions Provisions

Cold storage warehouses are refrigerated facilities used for the storage of temperature-controlled substances. Refrigeration systems within cold storage warehouses can be divided into two categories: packaged systems and central plant systems. Central plants are custom-built refrigeration systems that are typically used in large, refrigerated warehouses with cooling capacities that range from 20 to 5,000 kW. Central plant systems deliver cool air to the refrigerated space through evaporators, which are typically suspended from the ceiling in the refrigerated space. The evaporators are connected through a piping network to multiple compressors located in a central machine room, and a condenser, which is typically mounted outside near the compressors. Central plant systems may have a direct or indirect (secondary loop) design. Direct systems circulate a primary refrigerant throughout the refrigerated space. In an indirect system, a primary refrigerant cools a secondary refrigerant in the machine room, and the secondary refrigerant is then circulated throughout the refrigerated space (*see* 88 FR 73162).

The 2023 Technology Transitions Rule established restrictions on the use of HFCs in new cold storage warehouses installed starting January 1, 2026. The GWP limit is 150 for systems with

[52] *See* static version of the EPA website during HCFC phaseout, included in the docket for this action.

[53] *See* 2021 GreenChill slideshow and ALDI's 2023 corporate report, included in the docket for this action.

[54] The EPA stated that ''[w]hile we recognize the Agency's authority to issue restrictions on retrofit applications in subsection (i)(7)(B)(ii), we do not view, and commenters did not suggest, that the EPA has an obligation to issue such restrictions at this time.'' For further discussion, see 88 FR 73127. See also: *https://www.epa.gov/climate-hfcs-reduction/frequent-questions-phasedown-hydrofluorocarbons#supermarket-systems.*

refrigerant charge capacities greater than or equal to 200 pounds, and 300 for systems with refrigerant charge capacities less than 200 pounds or for the high temperature side of cascade systems irrespective of the total charge capacity. These restrictions are found at 40 CFR 84.54(c)(9)(i), (ii), and (iii).

The EPA identified R–717, or ammonia, a 2L refrigerant, as a widely used substitute in the cold storage warehouses subsector that has been used for decades (*see* 88 FR 73162). The EPA also identified five other substitutes [55] for this subsector in proposing the 2023 Technology Transitions Rule. After the rule was finalized, the EPA listed seven additional substitutes with GWPs below 150 and one with a GWP between 150 and 300 for this subsector in SNAP Rule 26 issued on June 13, 2024 (*see* 89 FR 50410). All seven of the additional substitutes are classified as A2L. Restrictions for cold storage warehouses are implemented at 40 CFR 84.54(c)(9)(i), (ii), and (iii).

2. Summary of Stakeholder Concerns

The Coalition for the Use of Safe and Efficient Refrigerants, Inc. (CUSER) submitted a request to the Agency on March 6, 2025, for the EPA to adjust the GWP limits at 40 CFR 84.54(c)(9)(i), (ii), and (iii) from 150 or 300, as applicable, to 700.

In the request, CUSER highlighted that ammonia, a higher toxicity and flammable refrigerant, can present potential safety concerns particularly when cold storage warehouses are not located in isolated, unpopulated areas. CUSER cited a number of recent examples of fatalities, injuries, and facility evacuations related to the use of ammonia as a refrigerant in cold storage warehouses in the United States.[56]

CUSER's particular request was for an adjustment of the restriction for cold storage warehouses more in keeping with other regulated subsectors that primarily use large equipment with large charge sizes, and specifically, to increase the GWP limit to allow for the use of R–513A, which CUSER identified as a refrigerant in this subsector that met their safety, commercial availability, energy efficiency, and usability requirements. CUSER indicated that in its view, some of the other substitutes identified by the EPA in the 2023 Technology Transitions Rule would not necessarily be available in every situation due to flammability or toxicity concerns, commercial availability, decreased energy efficiency, not being mechanically practical due to excessive displacement, building codes not being updated, and economic costs.[57]

3. Summary of Proposed Changes

The EPA is proposing to revise the restrictions at 40 CFR 84.54(c)(9)(i), (ii), and (iii) to provide a graduated schedule for the use of HFCs in new cold storage warehouses. Specifically, the EPA is proposing to raise the GWP limit to 700 starting January 1, 2026. The GWP limit for cold storage warehouses would become 150 or 300, depending on certain characteristics of the system, starting January 1, 2032. Consistent with the existing restrictions, the GWP limit of 150 would be for systems with 200 or more pounds of refrigerant charge, excluding the high temperature side of a cascade system, and the GWP limit of 300 would be for systems with less than 200 pounds of refrigerant charge, or for the high temperature side of a cascade system.

The EPA's proposal does not limit industry from using lower-GWP refrigerants that we previously identified, including ammonia, which is already the most widely used refrigerant in this subsector for large systems.[58] [59] [60] While entities in many areas of the United States can and are already using compliant lower-GWP substitute refrigerants in this subsector, we acknowledge that limitations, such as safety considerations in densely populated areas, could hinder compliance with the 150 and 300 GWP limits on a nationwide scale by January 1, 2026.

The EPA acknowledges that the use of ammonia in a system containing thousands of pounds of refrigerant charge could pose a safety risk in densely populated areas if a leak were to occur, or if such a system were to be handled improperly. As noted above, there is widespread use of compliant refrigerants in this subsector in the United States; however, based on information that we received after finalizing the 2023 Technology Transitions Rule, we acknowledge that in some situations, there may be continued limitations that could hinder compliance with the current requirements for cold storage warehouses.

The EPA understands that other substitutes that were previously identified as available to meet the upcoming January 1, 2026, GWP limit for this subsector may need additional time to develop commercial availability. Based on the EPA's review of the information submitted by industry stakeholders, we agree that adjusting the restriction for cold storage warehouses to a GWP of 700 beginning January 1, 2026, which would allow for the use of R–513A and R–450A in cold storage warehouses in the near-term, would address the availability concerns raised by CUSER regarding the availability of substitutes. In particular, this would address concerns about safety considerations in densely populated areas and availability of sufficient compliant refrigerant options across the subsector.

In the 2023 Technology Transitions Rule, the EPA acknowledged that siting cold storage warehouses in close proximity to densely populated areas might limit the availability of ammonia (*see* 88 FR 73163). At that time, our assessment was that there was a sufficient number of substitutes available, including HCFO–1233zd(E), R–471A,[61] and R–744, all A1 refrigerants, which could support the GWP limit of 150 for those cases in which the use of ammonia may present a safety risk in densely populated areas. The EPA received information after the rulemaking, as recently as March 2025, indicating that while listed as acceptable substitutes under the EPA's SNAP program, HCFO–1233zd(E) and R–471A are not yet commercially available. While CUSER shared in March 2025 that R–744 operates at higher pressures and has lower energy efficiency, we acknowledge that components that are specific for use with R–744 systems must be used for safe and energy efficient systems.

SNAP Rule 26 listed seven A2L substitutes as acceptable, subject to use conditions, for use in new cold storage warehouses (*see* 89 FR 50410). These include HFO–1234yf, HFO–1234ze(E), R–457A, R–516A, R–454C, R–455A, and R–454A, which have GWPs of 1, 1, 137, 140, 146, 146, and 237, respectively. All except one have a GWP below the 150 GWP threshold which satisfies the restrictions at 40 CFR part 84, subpart B, for installation in new cold storage warehouses that have a charge size of

[55] *See* 2023 Technology Transitions Rule (88 FR 73098; October 24, 2023) TSD ''American Innovation and Manufacturing Act of 2020—Subsection (i)(4) Factors for Determination: List of Substitutes.''

[56] *See* appendices to CUSER's request, included in the docket for this action.

[57] *See* CUSER's request, dated March 6, 2025, in the docket for this action.

[58] *See* White Paper from the Global Cold Chain Alliance, (2014), included in the docket for this action.

[59] *See* ''Refrigerant Options and Recommendations for Designing Cold Storage Facilities,'' Henderson Engineers, (2023), included in the docket for this action.

[60] *See* Refrigeration Technical Options Committee 2022, p. 206.

[61] R–471A is a blend of HFO–1234ze(E) (78.7%), HFO–1336mzz(e) (17%), and HFC–227ea (4.3%).

200 pounds or more. All of these refrigerants could also be installed in such systems that have a charge size less than 200 pounds, or as part of the high temperature side of a cascade system, since they all have a GWP below 300. The EPA recognizes that while some of these substitutes are currently commercially available, including HFO–1234yf, HFO–1234ze(E), R–454C, and R–454A, others will take time to become commercially available. For context, one widely used refrigerant in this subsector, R–513A, took approximately seven years from SNAP approval in 2015 to widespread adoption in 2022.[62]

CUSER also noted that A2L substitutes that were identified in the 2023 Technology Transitions Rule, and many that were listed as acceptable subject to use conditions in SNAP Rule 26, including HFO–1234yf, HFO–1234ze(E), R–457A, R–516A, R–454C, and R–454A, may still face availability challenges. In particular, CUSER noted these availability challenges arise from concerns in certain settings due to their status as mildly flammable refrigerants or because there are certain mechanical concerns related to their use.

The EPA recognizes there are challenges associated with using 2Ls, or mildly flammable refrigerants, in certain settings, including allowing for the necessary amount of time for equipment utilizing these refrigerants to become commercially available. However, given similarities to equipment in other subsectors with large charge sizes that uses 2L refrigerants (*e.g.,* industrial process refrigeration and ice-skating rinks),[63] we do not have information that suggests there are technical barriers to using 2L refrigerants specific to cold storage warehouses. The EPA expects that additional refrigerant options that have a GWP below 150 or 300, including those identified as available substitutes for cold storage warehouses in the 2023 Technology Transitions Rule and those listed in SNAP Rule 26 for this subsector, will be available for cold storage warehouses by January 1, 2032. This timing is similar to the adoption of R–513A, which, as explained earlier in this section, took approximately seven years to become commercially available. Of the available substitutes identified in the 2023 Technology Transitions Rule, some were not approved until June 2024 under SNAP Rule 26. If commercial adoption occurs at a similar pace as R–513A, these substitutes would be commercially available by mid-2031, such that a January 1, 2032, compliance date would be achievable and the existing compliance date of January 1, 2026, would not.

The EPA is also aware that the industry has a history of changing refrigerants every few years in response to customers' requests. For example, CUSER noted that many cold storage warehouses initially used R–507A, transitioned to R–134a in the 2010s, and then transitioned to R–513A in the early 2020s. Given the industry's adeptness to transition, the EPA expects that a transition to another alternative by 2032 will not cause undue burden.

The EPA is thereby proposing a graduated schedule for the use of HFCs in cold storage warehouses. The EPA proposes an increase to the GWP limit of 700 starting January 1, 2026, and becoming 150 or 300, depending on certain characteristics of the system, starting January 1, 2032. The GWP limit of 150 would be for systems with 200 or more pounds of refrigerant charge, excluding the high temperature side of a cascade system. The GWP limit of 300 would be for systems with less than 200 pounds of refrigerant charge, or for the high temperature side of a cascade system. The January 1, 2032, compliance date provides additional time for substitutes to be safely used in all circumstances, and for additional lower-GWP substitutes to become commercial availability. This proposed adjustment would not apply to any other equipment. The proposal would allow for the use of additional refrigerant options in the near-term, including but not limited to R–513A and R–450A. The EPA requests comment on whether there are other limitations to transitioning to lower-GWP alternatives in cold storage warehouses other than those mentioned in this section.

E. Condensing Units in the Residential and Light Commercial Air Conditioning and Heat Pump Subsector

1. Current Technology Transitions Provisions

The 2023 Technology Transitions Rule established restrictions on the use of HFCs in the residential and light commercial AC/HP subsector. This subsector includes many types of equipment, from self-contained products such as packaged terminal air conditioners and window AC units to unitary split systems such as ducted and non-ducted mini-splits, multi-splits, and ducted air conditioners and heat pumps. This section pertains only to the treatment of certain condensing units used in unitary split AC/HP systems and thus does not discuss other types of equipment in this subsector. Unitary split systems are field assembled and charged. Unitary split systems include an outdoor unit with a condenser and a compressor, refrigerant lines, an indoor unit with an evaporator, and ducts to carry cooled or heated air throughout a building. Mini-split air conditioners or heat pump systems is another type of unitary split system that includes an outdoor unit with a condenser and a compressor, refrigerant lines, and a single indoor unit with an evaporator and air handler. Non-ducted mini-splits provide cooled or heated air directly from the indoor unit rather than being carried through ducts.

The unit in which the condenser and compressor are packaged together is called a ''condensing unit.'' The condensing unit discharges heat and is typically located outside. The American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) defines a condensing unit as a ''machine designed to condense refrigerant vapor to a liquid by compressing the vapor in a positive displacement compressor and rejecting heat to a cooling medium. A condensing unit usually consists of one or more positive displacement compressors and motors, condensing coils, liquid receivers, and other devices mounted on a common base.'' [64]

In proposing the 2023 Technology Transitions Rule (*see* 87 FR 76738; December 15, 2022) the EPA proposed that restrictions would apply to ''products,'' which would have included condensing units. Specifically, the proposal stated, ''effective January 1, 2025, no person may manufacture or import *any product* . . . as listed in § 84.56(a)'' (emphasis added).[65] Likewise, ''effective January 1, 2026, no person may sell or distribute, offer to sell or distribute, make available to sell or distribute, purchase or receive, attempt to purchase or receive, or export *any product* . . . as listed in § 84.56(a)'' (emphasis added). The proposed definition of ''product'' in 40 CFR 84.56(a) would have contained a non-exhaustive list that included ''equipment, appliances, components, [and] subcomponents.'' A condensing

[62] *See* CUSER's request included in the docket for this action.

[63] *See* Substitutes in Refrigeration and Air Conditioning web page under the SNAP program, *https://www.epa.gov/snap/substitutes-refrigeration-and-air-conditioning.*

[64] *See* ASHRAE Terminology at *https://terminology.ashrae.org.*

[65] § 84.56(a)(24) lists ''Residential and light commercial air-conditioning and heat pump systems, when using or intended to use a regulated substance or a blend containing a regulated substance with a global warming potential of 700 or greater, except for variable refrigerant flow air-conditioning systems.'' The proposed rule did not distinguish between ''systems'' and ''products'' like the final rule.

unit is a component of the larger unitary split AC/HP system and therefore, under the proposed rule, would have been subject to restrictions.

The EPA received many comments on the proposal about the effect of restricting components and subcomponents as products. The comments varied depending on the type of restriction placed on the component, including: manufacture and import; sale and distribution; and the purchase and use to maintain existing equipment. Most comments addressed the refrigeration systems context, although one commenter expressed concern about its ability to honor warranties for existing AC systems. Based on these comments, we removed components and subcomponents from the final definition of ''product.'' Instead, we classified condensing units as one of five ''specified components'' at 40 CFR 84.52 that were not subject to restrictions on manufacture, import, sale, distribution, or export.

2. Summary of Administrative Petitions for Reconsideration

The EPA received two administrative petitions, one from Chemours and the other from the Air Conditioning, Heating and Refrigeration Institute (AHRI), Alliance for Responsible Atmospheric Policy, and Heating, Air-conditioning, & Refrigeration Distributors International (HARDI) (hereafter AHRI et al.), requesting that the Agency reconsider aspects of the finalized regulations at 40 CFR part 84, subpart B, as they apply to the residential and light commercial AC/HP subsector. The two administrative petitions requested reconsideration of separate provisions of the regulations as means to achieve a similar outcome, that is, reconsideration of the treatment of condensing units that use or are intended for use with HFC or HFC blend refrigerants with GWPs above 700.

The administrative petition from Chemours requested that the EPA remove provisions that allow the continued use of specified components that use regulated substances with a GWP at or above 700 in the residential and light commercial AC/HP subsector. The petitioner stated that the EPA did not propose a definition of ''specified component,'' nor did it propose to exempt specified components from the GWP prohibitions. The petitioner noted that the EPA proposed the opposite by including components and subcomponents in the list of products subject to the proposed restrictions. The petitioner stated that the final rule allows for unlimited replacement of condensers, evaporators, and compressors in this subsector, thereby extending the life of existing systems beyond their designed lifetimes without taking comment on the impacts of such extended use. In meetings with the EPA regarding the petition, Chemours clarified that its concern was limited to the replacement of condensing units used in split AC systems in the residential and light commercial AC/HP subsector, not the other four specified components, nor condensing units used in refrigeration subsectors.[66]

The administrative petition from AHRI et al. requested that the EPA make a determination that replacing a condensing unit in the residential and light commercial AC/HP subsector would be considered the installation of a new system under 40 CFR 84.54(e). The administrative petition is limited to condensing units in this subsector that are designed for use with a single condenser and a single evaporator. The administrative petition requested that the EPA not restrict condensing units used in variable refrigerant flow (VRF) systems,[67] multi-split systems, and commercial AC systems with more than one condenser and/or more than one evaporator. After submitting their initial administrative petition, AHRI et al. submitted a letter to the EPA containing supplemental information that limited their request to condensing units with a capacity less than 65,000 BTUs.[68]

3. Proposed Action

The EPA is proposing to retain the current requirements regarding the treatment of condensing units used in the residential and light commercial AC/HP subsector. This proposal provides an opportunity for the public to comment on the treatment of condensing units in this subsector. In doing so, the EPA is addressing one petitioner's concerns about the inability to comment on changes made between proposal and finalization of the 2023 Technology Transitions Rule regarding the treatment of components.

The EPA is proposing no change to the existing provisions at 40 CFR part 84, subpart B, pertaining to the treatment of certain condensing units used in the residential and light commercial AC/HP subsector. This would include no change to the definitions at 40 CFR 84.52, the installation restriction at 40 CFR 84.54(c)(1), the list of actions that the EPA considers an installation of a new system at 40 CFR 84.54(e), the exemption for components at 40 CFR 84.56(b), or the labeling, reporting, and recordkeeping requirements applicable to specified components. As summarized at the beginning of this section, the EPA finalized provisions of the 2023 Technology Transitions Rule that allow equipment owners to repair their existing AC/HP systems and that such repairs could include the replacement of a condensing unit. In doing so, the EPA was mindful of the cost of replacing an entire system due to the failure of a single component.

Under the existing rules, new residential and light commercial AC/HP systems using legacy refrigerants, such as equipment that uses R–410A, can continue to be installed until January 1, 2026, using condensing units manufactured in the United States or imported into the United States before January 1, 2025. There may be scenarios in which a recently installed residential AC system using a refrigerant with a GWP above 700 has a damaged or defective condensing unit, where a repair of the system would be inadequate or infeasible. In such scenarios, under existing regulations, the owner would be able to replace just the condensing unit. If restrictions were to be placed on replacing the condensing unit, the owner's only recourse would be to replace the entire system. Installing a new system is more costly than replacing just the condensing unit, and in some instances, warranties or insurance will only cover the replacement of like equipment. If R–410A-containing condensing units are not available for replacement due to regulatory restrictions, that homeowner may have to purchase two entirely new AC systems within a short timeframe.

The EPA's proposal to not change the existing treatment of condensing units is in alignment with subsection (i)(7)(B) of the AIM Act and consistent with the Agency's standard practice with regard to allowing repair of legacy equipment. This proposal is also consistent with the Presidential Memorandum titled *Delivering Emergency Price Relief for American Families and Defeating the Cost-of-Living Crisis,* which directs ''the heads of all executive departments and agencies to deliver emergency price relief, consistent with applicable law, to the American people and increase the prosperity of the American worker,'' including by ''pursuing appropriate actions to . . . eliminate

[66] *See* meeting memorandum in the docket for this action.

[67] *See* 88 FR 73178 for a description of variable refrigerant flow (VRF) systems.

[68] *See* supplemental letter from AHRI et al., included in the docket for this action.

counterproductive requirements that raise the costs of home appliances[.]'' [69]

F. Industrial Process Refrigeration in Certain Laboratory Equipment

1. Refrigerated Centrifuges

a. Current Technology Transitions Provisions

A refrigerated centrifuge is a laboratory device that spins samples at a high speed while keeping them at a low, controlled temperature. Refrigerated centrifuges are a niche subset of equipment used in laboratories and have narrow technical requirements which limit the refrigerants that can be used. The EPA understands that refrigerated centrifuges are critical for blood processing and other essential pharmaceutical and medical industries.

The 2023 Technology Transitions Rule included refrigerated laboratory equipment within the IPR subsector.[70] Specifically, the 2023 Technology Transitions Rule stated that refrigerated laboratory equipment covered by either the 2nd edition of the UL 61010–2–011 standard or the 2nd edition of the UL 60335–2–89 standard are subject to the restrictions in the rule.[71] [72] The restrictions on the use of HFCs and HFC blends in new IPR equipment vary based on the lowest temperature at which the equipment is designed to operate, charge size, and the configuration of the equipment. IPR equipment with refrigerants entering the evaporator at temperatures between −50 °C and −30 °C have a compliance date of January 1, 2028, while IPR equipment with refrigerants entering the evaporator at temperatures at or above −30 °C have a compliance date of January 1, 2026. These restrictions are codified at 40 CFR 84.54(a)(12) and 84.54(c)(10).

The 2023 Technology Transitions Rule excluded centrifuges with charge sizes above the threshold indicated in UL 61010–2–011 while using a refrigerant with a GWP lower than the IPR HFC use restrictions. To summarize, in the final rule, the EPA recognized that refrigerated centrifuges that contain less than 150 g of flammable refrigerant charge (or 370 g of nonflammable refrigerant charge) can meet the UL standards using refrigerants with a GWP below the limits for IPR and are subject to the HFC use restriction. Conversely, the EPA recognized that refrigerated centrifuges that require more refrigeration capacity than can be achieved using refrigerants that meet the HFC use restrictions while meeting the charge size limits in UL 61010–2–011 are not restricted. This is because the refrigerants that meet the IPR restrictions are either flammable, higher toxicity, or high pressure and as such either require an upper limit on charge size to meet the UL standard's safety requirements or are outside the current scope of the UL standard altogether.

b. Summary of Request

After issuance of the 2023 Technology Transition Rule, the EPA was contacted by a manufacturer concerning refrigerated centrifugal equipment with a NAICS code of 333998 that follows UL 61010–2–011 or UL 61010–2–020. The manufacturer stated that refrigerated centrifuges need to be tested to ANSI/UL standards 61010–2–011 or 61010–2–020 before mass production. The manufacturer described how UL 61010–2–020 requires a particular test for refrigerated centrifuges called the Maximum Credible Accident (MCA) test which assesses the safety of centrifugal equipment in a worst-case mechanical failure. The test simulates an accident scenario where the rotor assembly, a high-speed spinning part of the centrifuge, experiences catastrophic failure or becomes detached during rotation. This test ensures that the design and structure of the equipment are robust enough to contain debris and prevent personnel from hazardous exposure to such an event. The manufacturer explained that the MCA test itself is currently not designed in a manner that allows for testing of flammable or high-pressure refrigerants. We understand that the UL standards committee is currently updating UL 61010–2–020 so the standard can appropriately test refrigerated centrifuges to the MCA test using flammable and high-pressure refrigerants.

The EPA understands that this update to the UL safety testing procedure impacts all centrifuge manufacturers. The manufacturer noted that the MCA test was expected to be updated in 2025, before the January 1, 2026, compliance date, but that additional time would be needed for manufacturers to redesign, test, and certify centrifuges to the revised standards. The manufacturer later stated in a meeting that they anticipate that standards and equipment will be updated by January 1, 2028.[73]

c. Summary of Proposed Changes

The EPA has reviewed information provided by the manufacturer and the UL 61010–2–020 standard for laboratory centrifuges. Based on this review, the Agency agrees that the MCA test required in UL 61010–2–020 cannot be performed until modifications are made to accommodate the safety risks associated with fire hazards, ballistic threats, or toxicity hazards and understands such efforts are underway and that the standards and equipment updates are expected to be completed by January 1, 2028. Therefore, the EPA is proposing to extend the compliance date to January 1, 2028, for refrigerated centrifuges within the IPR subsector. This extension applies to refrigerated centrifuges only and does not apply to other types of equipment within the IPR subsector. This extension is to allow additional time for the industry standard setting process to finalize updated test procedures specific to refrigerated centrifuges. The EPA requests comment on the proposed extension of the compliance date to January 1, 2028, including on whether there are any significant reliance interests in the existing compliance date that should be taken into account in any final action.

2. Laboratory Shakers

a. Current Technology Transitions Provisions

Laboratory shakers are specialized pieces of equipment used in scientific and medical laboratories to continuously agitate liquid biological samples at controlled temperatures. These devices are designed for applications that require temperature-sensitive conditions, such as growing microbial cell cultures or eukaryotic tissue cultures. The temperature range can span in some applications from around 4 °C to 80 °C.

As described in section IV.F.1.a. of this preamble, the 2023 Technology Transitions Rule indicated that refrigerated laboratory equipment that use an HFC or blend containing HFC(s) are regulated within the IPR subsector.[74] Refrigerated laboratory shakers are covered by the UL 60335–2–89 standard

[69] *See https://www.whitehouse.gov/presidential-actions/2025/01/delivering-emergency-price-relief-for-american-families-and-defeating-the-cost-of-living-crisis.*

[70] The EPA is not aware of IPR centrifuge configurations used for laboratory applications that would be covered by the IPR chiller subsector as opposed to the IPR subsector in 84.54(a)(10), 84.54(c)(5), or 84.54(c)(6).

[71] *See* the EPA's response to the manufacturer, included in the docket for this action.

[72] *See* p. 209 of the Response to Comments document for the 2023 Technology Transitions Rule.

[73] *See* meeting memorandum in the docket for this action.

[74] The EPA is not aware of IPR shaker configurations used for laboratory applications that would be covered by the IPR chiller subsector as opposed to the IPR subsector in 84.54(a)(10), 84.54(c)(5), or 84.54(c)(6).

and are regulated as a part of this subsector.

Under the regulations at 40 CFR 84.54, IPR equipment with refrigerants entering the evaporator at temperatures at or above −30 °C) have a compliance date of January 1, 2026. Further information about the requirements for the IPR subsector can be found in section IV.F.1. of this preamble.

b. Summary of Request

After issuance of the 2023 Technology Transition Rule, a manufacturer contacted the EPA regarding refrigerated laboratory shaker equipment. The manufacturer stated that there are currently limited alternatives for small, compact IPR systems, such as laboratory shakers.[75] The manufacturer noted that while there are some suitable lower-GWP alternatives currently on the market in some laboratory equipment applications, such as R–290[76] and R–1234yf, these alternatives pose safety, efficiency, and cooling capacity challenges in compact lab environments and in certain laboratory applications. For example, flammability is a particular concern from both a regulatory and safety perspective, as laboratories often have open flames, solvents, or other electronics present that could trigger an ignition.

Since laboratory shakers are used in various cell culture applications, the manufacturer also described how a wide temperature operation range and precise temperature control are crucial to ensure optimal cell growth conditions and experimental accuracy. A temperature operation range that extends as low as 4 °C and up to 80 °C allows for a range of biological laboratory research applications. Currently R–134a is one of the only refrigerants used that can achieve such a wide temperature range. Not all shakers have this wide temperature range, and in particular, some do not extend as high as 80 °C. Shakers that use R–600a[77] or a Peltier cooling method[78] can operate at temperatures as high as 60 °C. This limits the capability of such shakers from operating at temperatures above 60 °C, in which certain niche research processes are conducted.

Further, the manufacturer noted that temperature accuracy to within 0.1 °C is required to maintain the integrity of the cell cultures and reliability of results in certain research applications.[79] The manufacturer shared information that illustrated how not all shakers have this precise temperature control capability. Some laboratory shakers can provide an accuracy within 0.3 °C, and some of those are already using compliant refrigerants, including R–600a.

The manufacturer noted that one feasible alternative that could achieve desired temperature specifications is R–744, but that current IPR systems for this refrigerant are primarily designed for large-scale industrial refrigeration systems and that there are limited solutions for small-scale laboratory equipment. Systems are currently in development but are not expected to be available until mid-2027 at the earliest.[80]

c. Proposed Action

The EPA is proposing to extend the compliance date to January 1, 2028, for refrigerated laboratory shakers within the IPR subsector. This extension does not apply to other refrigerated laboratory equipment not discussed in this proposal. This extension is to allow additional time for the development of lower-GWP refrigerants and not-in-kind substitutes (*e.g.,* Peltier cooling) for use in this niche refrigerated laboratory application. The EPA has received information that R–744 is being developed for use in laboratory shakers to have the necessary specifications that can meet manufacturers and researchers' requirements in time before 2028.

The EPA is aware that several refrigerants are currently being used in refrigerated laboratory shakers, but that they do not all have the same temperature operation range or temperature control capacity. The EPA received information from one manufacturer that R–134a, with a GWP of 1,430, is the only refrigerant that is currently being used to meet the wide temperature range and fine temperature control requirements of manufacturers and researchers. It is capable of operating at temperatures as low as 4 °C, and up to 80 °C, with temperature control capability in increments of 0.1 °C. R–600a, with a GWP of 1, is being used in equipment capable of operating at temperatures as low as 4 °C, and up to 60 °C, with a temperature control capability of 0.3 °C increments. One shaker product utilizes Peltier cooling to achieve a temperature range of 5 °C to 60 °C with a temperature control capability of 0.3 °C increments.

While a range of options are used to control temperature in laboratory shakers, including compliant refrigerants that can meet the requirements in some refrigerated laboratory shaker applications, there remain some use cases in which refrigerants with a GWP of lower than 700 are unable to meet the requirements. This includes achieving temperatures between 60 °C and 80 °C in shakers that also have a temperature control capability as fine as 0.1 °C increments. In addition, based on industry estimation, the EPA understands that new IPR products using R–744 as the refrigerant are currently in development and are not expected to be available around mid-2027. As such, the EPA is proposing to extend the compliance date from January 1, 2026, to January 1, 2028, for all laboratory shakers, to provide additional time for compliant refrigerant options to be developed for all refrigerated laboratory shaker use cases.

The EPA requests comment on the proposed extension of the compliance date to January 1, 2028, as explained in this section, including on whether there are any significant reliance interests in the current requirements that should be taken into account in any final action.

G. Extending the Installation Compliance Date for Residential and Light Commercial Air Conditioning and Heat Pump Systems

1. Current Technology Transitions Provisions

The current requirements at 40 CFR part 84, subpart B, restrict the use of certain HFCs in systems in the residential and light commercial AC/HP subsector. Systems in this subsector include unitary split systems such as ducted and non-ducted mini-splits, multi-splits, and ducted air conditioners and heat pumps. This section pertains to the treatment of residential and light commercial AC/HP systems only.

The 2023 Technology Transitions Rule restricted the installation of residential and light commercial AC/HP systems using refrigerants with a GWP higher than 700 beginning January 1, 2025. After the 2023 rule was finalized, the EPA received new information including data concerning how the January 1, 2025, restriction on installation would result in substantial stranded inventory for residential new construction, including both single-family and multi-family dwellings, where builders order heating and cooling equipment well in advance of

[75] *See* materials from Eppendorf, included in the docket for this action.

[76] Propane.

[77] Isobutane.

[78] Peltier cooling uses a thermoelectric effect for cooling. It does not contain refrigerant.

[79] *See* pdf file from Eppendorf, including in the docket for this action.

[80] *See* PowerPoint from Eppendorf, included in the docket for this action.

knowing the exact date of installation. The EPA published an interim final rule on December 26, 2023, to address the unique circumstances of this subsector to prevent equipment from being stranded (*see* 88 FR 88825). That rule extended the installation compliance date for such systems by one year, to January 1, 2026, so long as the equipment was manufactured in the United States or imported into the United States before January 1, 2025.

2. Summary of Stakeholder Concerns Related to Availability of R–454B

The U.S. air conditioning manufacturers are manufacturing new residential and light commercial split AC systems using R–454B (a blend of HFC–32 and HFO–1234yf), and to a lesser extent, HFC–32. While systems using other refrigerants (*e.g.,* R–410A) can currently be installed until January 1, 2026, data suggests the bulk of the systems being sold now use either R–454B or R–32.[81] However, supply chain issues, such as a shortage of 20-lb cylinders rated for transporting A2L refrigerants, affected the availability of R–454B for contractors and technicians throughout the spring and most of the summer of 2025. In addition, one chemical producer announced a surcharge for R–454B early in the cooling season.[82] There has also been some stockpiling contributing to regional shortages. In some cases, refrigerant costs and longer lead times for filling some orders for R–454B have impacted consumers in need of new residential air conditioning systems. While the EPA's current regulations do not restrict the installation of equipment using legacy refrigerants such as R–410A until January 1, 2026, the EPA has been concerned with these potential consumer impacts and has been exploring ways to provide relief.

The EPA recognizes that many trade associations and individual companies have been working to address the supply chain issues for R–454B. These entities cited a number of contributing factors including higher than anticipated demand, shortages of the 20-lb cylinders, and global economic factors as contributing to this unexpected situation. Contractors and technicians have been the most impacted because of how refrigerant is distributed. The original equipment manufacturers (OEMs), which typically receive refrigerant in larger containers (*e.g.,* isotanks), have not had the same experiences as those that typically buy refrigerant packaged into smaller containers (*e.g.,* 20-lb cylinders). In response to these supply chain challenges, OEMs have increased the amount of refrigerant charge in new equipment to cut down on the amount of additional refrigerant that contractors need to appropriately install the equipment. At least one OEM has been repackaging their excess bulk R–454B into 20-lb cylinders for use by distributors and contractors.[83] Worthington Industries, the dominant cylinder manufacturer, has stated that demand for R–454B was more than anticipated. In response to the cylinder shortage, they have increased cylinder production, including adding two production crews to one facility and adding a production shift to another facility.[84]

Despite these actions to make R–454B more available, the EPA understands that in some parts of the country, access to R–454B remains challenging. To provide relief to consumers, the EPA considered extending the installation date for systems using refrigerants with a GWP higher than 700, including R–410A, to January 1, 2027. However, noting the Agency does not have information about the extent of equipment that may remain in company inventories as of January 1, 2026, removing the installation compliance date altogether may be the more appropriate approach. Either of these approaches would also respond to a second concern that has been brought to the EPA's attention. Since publication of the interim final rule on December 26, 2023, some entities have requested additional time beyond January 1, 2026, to install residential and light commercial AC/HP systems.[85] These requesters shared that additional time is needed because of construction delays particularly for certain construction projects (*e.g.,* for multifamily housing) that have long timelines.[86] Without further extension of the installation compliance date, they note that there could be stranded inventory.

3. Proposed Action

The EPA is proposing to remove the installation compliance date for systems in the residential and light commercial AC/HP subsector, using components manufactured or imported prior to January 1, 2025. In light of current supply chain issues, the potential for future supply chain issues, as well as the fact that current rules do not allow for additional import or manufacture of equipment for new systems, the EPA no longer believes that limiting the ability to install new systems is warranted. Removing the installation compliance date allows industry to sell through remaining inventory of R–410A equipment that has been previously manufactured or imported. In light of the supply chain issues related to R–454B experienced this summer, the EPA seeks to provide consumers and contractors with an additional option. The EPA remains mindful, however, of potential impacts to companies that have relied upon the installation compliance date. The EPA does not expect there will be discernible economic impacts from those already modeled in our analysis for the 2023 Technology Transitions Rule since the total number of systems installed using legacy refrigerants would still match what the Agency modeled for that rule.

H. Labeling Correction

The EPA is also proposing to correct an erroneous citation in the regulatory text at 40 CFR 84.58(b). The regulatory text should direct the reader to paragraph (d), not to paragraph (c), as currently written. The proposed regulatory text for this rulemaking corrects this to accurately describe the intended labeling requirements.

I. Proposed Interpretation of Paragraph (i)(6)

The EPA is proposing to make this rule effective 30 days after publication of the final rule in the **Federal Register**. Subsection (i)(6) of the AIM Act states that ''no rule under this subsection may take effect before the date that is 1 year after the date on which the Administrator promulgates the applicable rule under this subsection'' (42 U.S.C. 7675(i)(6)). The EPA is proposing that the best reading of this statutory text is that the one-year requirement applies only to the creation of new restrictions and not to the relaxation or removal of existing restrictions.

The 2023 Technology Transitions Rule described the EPA's interpretation of this provision as applying to the establishment of restrictions on use of HFCs under subsection (i)(1) of the AIM Act. Based on this interpretation, we established compliance dates for the restrictions on the manufacture and

[81] *See* materials related to R–454B, included in the docket for this action.

[82] *See* Honeywell's announcement from April 2025, included in the docket for this action.

[83] *See* materials related to R–454B, included in the docket for this action.

[84] Ibid.

[85] *See* comment on the interim final rule (88 FR 88825) from the National Multifamily Housing Council and National Apartment Association, as well as a list of stakeholders who submitted relevant questions and comments to the EPA, included in the docket for this action.

[86] *See* comment on the interim final rule (88 FR 88825) from the National Multifamily Housing Council and National Apartment Association.

import of products and installation of systems that were at least one year from the date of promulgation. At the same time, we also did not include a delayed compliance or effective date for provisions pertaining to program administration and petitions processing and elected to make those provisions effective 60 days after publication in the **Federal Register** (*see* 88 FR 73104).

Since finalizing the 2023 Technology Transitions Rule, the EPA has issued two rules adjusting existing restrictions based on new information. In those rules, we maintained that changes to the requirements under subsection (i) of the AIM Act, including extending compliance dates, must be finalized at least one year prior to the restriction taking effect (*see* 88 FR 88826). The Agency has reconsidered its position and now proposes that the best reading of the subsection (i)(6) requirement is that it does not apply to modifications of existing restrictions that were originally promulgated under subsection (i) if those modifications provide relief from a restriction. Providing a full year delay between promulgation and application of a compliance deadline is important when a new sector or subsector is being regulated, as with the 2023 Technology Transitions Rule, to provide regulated parties sufficient notice to plan for and adjust to new restrictions. However, when the EPA is revising an existing restriction to provide additional time for compliance or other relief, the need for adequate notice to parties subject to the restriction is less compelling, particularly when the parties are themselves requesting relief from the Agency's restrictions. The Agency is therefore proposing that the best reading of the effective date provision in subsection (i)(6) as not applying to these adjustments to existing restrictions that provide relief from those restrictions, though the provision would still apply to the creation of new restrictions. Under this proposal, adjusting an existing restriction to extend a compliance date from January 1, 2026, to January 1, 2028, for example, would not need to be completed by January 1, 2025, in order to comply with subsection (i)(6). However, finalizing a new restriction with a compliance date of January 1, 2028, for example, would need to be completed no later than one year in advance, or January 1, 2027, at the latest.

The EPA requests comment on this proposed statutory interpretation that the one-year effective date requirement of subsection (i)(6) not apply to rules relaxing or removing existing restrictions, particularly whether there are any reliance interests that would be negatively affected by a shorter effective date requirement.

J. Negotiated Rulemaking

Prior to proposing a rule under subsection (i) of the AIM Act, subsection (i)(2)(A) directs the EPA to consider negotiating with stakeholders in the sector or subsector subject to the potential rule in accordance with negotiated rulemaking procedures established under 5 U.S.C. chapter 5, subchapter III (commonly known as the ''Negotiated Rulemaking Act of 1990''). If the EPA makes a determination to use negotiated rulemaking procedures, subsection (i)(2)(B) of the AIM Act requires that the EPA, to the extent practicable, give priority to completing that rulemaking over completing rulemakings under subsection (i) that are not using that procedure. If the EPA does not use the negotiated rulemaking process, subsection (i)(2)(C) requires that we publish an explanation of the decision not to use that procedure before commencement of the rulemaking process.

The EPA noted in the 2023 Technology Transitions Rule that, where appropriate, we will consider recent Agency actions and decisions related to restrictions on the use of HFCs in sectors and subsectors when considering using negotiated rulemaking procedures. We provided the example of not issuing a separate notice to consider using negotiated rulemaking for four petitions submitted under (i)(4) of the AIM Act that the EPA received after a first round of petitions had been subject to public notice and comment. We reasoned that these (i)(4) petitions were received well ahead of the final action and that the requested restrictions were in the same sectors and subsectors addressed in petitions for which a determination had already been made. The EPA stated that nothing in those four (i)(4) petitions caused us to reconsider that decision and that it was unnecessary for us to reconsider whether to use negotiated rulemaking procedures.

Upon reconsidering the 2023 Technology Transitions Rule, the EPA has determined that this proposed rulemaking does not merit revisiting our prior determination not to use negotiated rulemaking procedures.[87] [88] We are proposing this action in response to specific concerns arising from administrative petitions and other requests to amend certain existing provisions of the 2023 Technology Transitions Rule. As previously noted, we are not proposing to establish new restrictions in this rulemaking. Rather, we are proposing to amend existing regulations to provide more time and flexibility.

V. Assessment of Economic and Environmental Impacts

The actions proposed in this rule are inherently deregulatory in that the compliance deadlines would be extended and, in some cases, GWP thresholds would be increased. As noted in each of the discussions in section IV. of this preamble, stakeholders are, in many cases, requesting that the EPA relax certain requirements, citing difficulties in compliance due to a variety of reasons including lack of technically achievable alternatives or other barriers, such as building codes. Entities requesting changes to the restrictions provided new information indicating barriers to meeting the existing requirements and implied there would be savings associated with these changes. The requesters of these changes find that these barriers are preventing them from fully complying with the current restrictions at 40 CFR part 84, subpart B. The EPA also received information indicating that relaxing restrictions in the retail food refrigeration (supermarkets and remote condensing units) subsectors would result in disbenefits for companies that have invested in alternative technologies.

The EPA does not have all the information necessary to quantify the potential net cost savings associated with alleviating the anticipated difficulties raised by entities. The EPA notes such net cost savings would be difficult to quantify with existing data, as they could vary substantially from entity to entity based on a variety of factors. These factors include access to capital, supply agreements, locations of operations, supply chain logistics, short- and long-term agreements or contracts, training practices, availability of personnel trained on new technologies, investments made to develop new technologies, stranded assets from delayed transitions, and more. The EPA welcomes information from stakeholders that is sufficiently quantitative, of sufficient quality, and relevant, which would assist us in quantifying such economic effects.

Further discussion regarding the economic impacts of this proposed rule, as well as a detailed list of additional information that the EPA is seeking in

[87] CUSER suggested in their request that the EPA not use the negotiated rulemaking procedure.

[88] The EPA does not believe that this rulemaking would benefit from the negotiated rulemaking procedure because timeliness is a concern shared by stakeholders.

order to better evaluate these impacts, are provided in the draft memorandum titled, ''Analysis of Economic and Environmental Impacts—Phasedown of Hydrofluorocarbons: Reconsideration of Certain Regulatory Requirements Promulgated Under the Technology Transitions Provisions of the American Innovation and Manufacturing Act of 2020'' (hereafter ''Economic Analysis memo''), which is included in the docket for this action.

The EPA notes that it is not able to evaluate the following factors with existing data and welcomes additional information from the regulated community and general public that could be used to evaluate and estimate such costs and cost savings:

- Cost savings resulting from updated transition pathways where changes result in the avoidance of burden not previously assessed by the EPA. Petitioners and requesters indicate that compliance with the requirements at 40 CFR part 84, subpart B, would pose challenges for specific parts of industry related to technical feasibility or commercial readiness. Without the adjustments proposed in this rulemaking, specific entities may incur additional costs due to supply bottlenecks of alternative refrigerants and technologies, accelerated uptake of nascent and costly technologies, the need to stockpile legacy equipment, engage in costly repairs of legacy equipment in order to extend its useful life in lieu of replacement, and more. The EPA did not quantify such costs for the 2023 Technology Transitions Rule, and the EPA does not have the data to quantify the avoidance of such costs through the changes proposed in this rulemaking. However, the EPA notes that a primary benefit of this proposed rulemaking is to avoid such costs by providing a smoother transition path for the specific subsectors included in this rulemaking.
- Costs resulting from the proposed rulemaking for cases where relaxing compliance requirements result in stranded assets for companies that had made capital and investment planning decisions based on the requirements at 40 CFR part 84, subpart B, finalized in 2023. For example, OEMs may have made capital investments in additional manufacturing capacity for technology necessary to meet the existing requirements in the retail food subsector. These sunk costs may be more difficult to recoup to the extent that future demand for these technologies changes as a result of the proposed changes.

If the EPA acquires the additional information discussed here and in the Economic Analysis memo, and it is sufficiently quantitative, rigorous, complete, and relevant to this rulemaking, the information could be used to evaluate the economic impacts of this proposed rulemaking.

Preliminary Assessment of Updated Market Transitions and Environmental Impacts Based on Proposed Adjustments

While the EPA does not have sufficient information to quantify aspects of the costs and savings of this proposed rule, the EPA did conduct an analysis of updated market transition assumptions and resulting changes to HFC consumption. To derive the results, the EPA re-ran the analysis it originally completed for the 2023 Technology Transitions Rule, adjusting the proposed changes to compliance dates and thresholds in this rule. The EPA is taking comment on whether the updated pathways to transition included in this analysis, discussed in detail in the Economic Analysis memo, are realistic and reflective of current market conditions.

Overall, the preliminary analysis of the EPA's updated assumptions—including later transitions to alternatives or transitions to a higher-GWP alternative—result in an estimated 2.9 percent increase in HFC consumption (*i.e.,* reduction in HFC consumption abatement) relative to the 2023 rule analysis (or a 0.02 to 7.8 percent reduction based on the upper and lower bound sensitivities evaluated).[89] Table 1 provides a summary of how the proposed adjustments and updated market transitions affect U.S. HFC consumption. Results are provided in terms of net consumption change relative to the 2023 Technology Transitions Rule for each category of equipment affected by this proposed action. The EPA notes that these results are based on existing models and currently available data.

TABLE 1—INCREMENTAL ADJUSTMENTS TO CONSUMPTION ABATEMENT AS COMPARED TO THE 2023 TECHNOLOGY TRANSITIONS RULE ANALYSIS, BASED ON CURRENTLY AVAILABLE DATA

[Million metric tons of exchange value equivalent, cumulative through 2050]

Subsector(s)	Cumulative adjustment to net HFC consumption abatement [a] [b]
Refrigerated Transport	(0.055) [0.03 to 0.08].[c]
Industrial Process Refrigeration	(0.38).[d]
Cold Storage Warehouses	(6.33) [0 to 12.28].[e]
Retail Food Refrigeration	(56.05) [0 to 155.84].[e]
Total (for all affected subsectors)	(62.815) [0.41 to 168.58].

[a] Resulting adjustments to net consumption abatement are negative (*i.e.,* increased consumption).
[b] Bracketed values represent upper and lower bound sensitivity estimates. Bold values represent preliminary point estimates.
[c] This range of values is informed by data from industry stakeholders that was shared with the EPA regarding the potential market share represented by the type of equipment for which the proposed rule would provide an exemption.
[d] For the relevant applications this subsector, the EPA did not conduct a sensitivity analysis associated with the uncertainty regarding transitions to various new technology options or market share.
[e] As described in more detail in the Economic Analysis memo, the EPA conducted a sensitivity analysis for these subsectors given the significant uncertainty regarding potential changes in expected transition rates to various technology options.

[89] As a sensitivity, the EPA's analysis provides upper and lower bound estimates of assumed changes in transition rates to various technology options (and resulting increase in HFC consumption) that may occur in response to the proposed rulemaking. For more details on these assumptions, see the Economic Analysis memo included in the docket for this action.

For more detailed information, see the Economic Analysis memo included in the docket for this rulemaking.

VI. Request for Comments

In addition to the instances in which the EPA has requested comment above, the EPA is requesting comment on the following:

1. Data regarding which refrigerants are being considered or adopted in new refrigeration equipment for remote condensing units, supermarket systems, and cold storage warehouses.

2. Data about the commercial availability and timeline for adoption of new refrigeration equipment using lower-GWP substitutes in remote condensing units, supermarket systems, and cold storage warehouses as it relates to the second step of the proposed compliance dates which begin in 2032 for these subsectors.

3. Data about costs and savings resulting from the extension of compliance timelines for manufacturers and servicing companies, which are investing in U.S. production of new raw materials, refrigerants, equipment and other technologies, intended to support companies' transition and compliance, across the subsectors in this rule.

4. The EPA requests comment on the proposed removal of the installation compliance date for residential and light commercial AC systems. The EPA is also seeking comment on whether an extension of the installation compliance date by one or more years would be appropriate, noting the Agency does not have information about the extent of equipment that may remain in inventory as of January 1, 2026, as well as any significant reliance interests that should be taken into account in any final action.

VII. Advance Notice of Proposed Rulemaking To Address R–454B Supply

As stated in section IV.G., the EPA is aware of recent challenges related to the availability of the refrigerant R–454B, causing potential increases in price, scarcity, and stockpiling. Most U.S. OEMs have chosen to transition to R–454B for use in residential AC systems compliant with the Technology Transitions regulations at 40 CFR part 84, subpart B. As discussed in section IV.G., these OEMs typically purchase refrigerants in larger containers (*e.g.,* isotanks) and are thus much less susceptible to the supply chain issues. However, contractors and technicians experienced significant R–454B supply chain issues this summer which affected consumers purchasing new AC systems. As stated in section IV.G., the EPA is concerned with the impacts on consumers. While the Agency is aware of the efforts by OEMs and the U.S. cylinder manufacturer to address these issues, the EPA is interested in other options that could provide further relief to the consumers.

The EPA is seeking advance comment on possible actions that the U.S. government could consider. The EPA is interested in information and data that may be used to inform future actions that could be taken by the EPA or by other parts of the federal government to address this issue. The EPA acknowledges that many of the topics listed below could involve regulatory changes for which the statutory authority may be vested in other departments or agencies of the federal government. However, in those cases, the EPA would share information with the relevant departments and agencies. The EPA is also interested in advance comment on any significant reliance interests.

Specifically, the EPA is seeking comments and additional information that could be used to inform potential future actions that include but are not limited to:

- A price cap or other mechanisms on R–454B or other refrigerants experiencing supply chain issues to prevent price gouging;
- A requirement that equipment manufacturers provide the necessary amount of R–454B or other refrigerants experiencing shortages for installation of equipment, particularly when contractors and technicians are unable to acquire the refrigerants readily;
- Options for potential revisions to the Pipeline and Hazardous Materials Safety Administration (PHMSA) requirements which regulate the types of cylinders that can be used to transport the relevant chemicals (49 CFR parts 106, 107 and 171 to 180);
- Options to increase cylinder production in the United States, including by encouraging new market entrants or additional production lines for current cylinder manufacturers, to ensure a sufficient supply of cylinders for the U.S. market;
- Options for increasing reclamation of R–454B and information concerning how this might comport or conflict with any relevant patent protections; and
- Options that would require compulsory licensing agreements allowing more entities to blend R–454B or other refrigerants experiences shortages at least on a temporary basis.

The EPA is seeking comments to gain public input and additional information on these topics, including their feasibility, relevant authorities, and to what extent any additional actions would be considered beneficial. The EPA reiterates that there is no concrete proposal in this section as it is solely intended to elicit advance comment.

VIII. Statutory and Executive Order Reviews

Additional information about these statutes and Executive Orders can be found at *https://www.epa.gov/laws-regulations/laws-and-executive-orders.*

A. Executive Order 12866: Regulatory Planning and Review and Executive Order 13563: Improving Regulation and Regulatory Review

This action is a significant regulatory action that was submitted to the Office of Management and Budget (OMB) for review. Any changes made in response to OMB recommendations have been documented in the docket. EPA prepared an economic analysis of the potential costs and benefits associated with this action.[90]

B. Executive Order 14192: Unleashing Prosperity Through Deregulation

This action is expected to be an Executive Order 14192 deregulatory action. This proposed rule is expected to provide burden reduction by providing industry with additional time and/or flexibility to transition to next-generation technologies, without adversely affecting the phasedown goals under the AIM Act.

C. Paperwork Reduction Act (PRA)

This action does not impose an information collection burden under the PRA because it does not contain any information collection activities.

D. Regulatory Flexibility Act (RFA)

I certify that this action will not have a significant economic impact on a substantial number of small entities under the RFA. In making this determination, EPA concludes that the impact of concern for this proposed rule is any significant adverse economic impact on small entities and that the Agency is certifying that this proposed rule would not have a significant economic impact on a substantial number of small entities because the proposed rule would relieve regulatory burden on the small entities subject to the rule. EPA is making this determination based on the small business screening analysis that was done for the 2023 Technology Transitions Rule which found that there that there was no significant impact on

[90] *See* Economic Analysis memo included in the docket for this action.

a substantial number of small entities (SISNOSE). The changes proposed in this rulemaking are deregulatory in nature and do not meaningfully impact that analysis. We have therefore concluded that this action would relieve regulatory burden for all directly regulated small entities.

E. Unfunded Mandates Reform Act (UMRA)

This action does not contain any unfunded mandate as described in UMRA, 2 U.S.C. 1531–1538, and does not significantly or uniquely affect small governments. The action imposes no enforceable duty on any state, local or Tribal governments or the private sector.

F. Executive Order 13132: Federalism

This action does not have federalism implications. It will not have substantial direct effects on the states, on the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government.

G. Executive Order 13175: Consultation and Coordination With Indian Tribal Governments

This action does not have Tribal implications as specified in Executive Order 13175. It will not have substantial direct effects on Tribal governments, on the relationship between the Federal government and Indian Tribes, or on the distribution of power and responsibilities between the Federal government and Indian Tribes, as specified in Executive Order 13175. Thus, Executive Order 13175 does not apply to this action.

H. Executive Order 13045: Protection of Children From Environmental Health and Safety Risks

EPA interprets Executive Order 13045 as applying only to those regulatory actions that concern environmental health or safety risks that EPA has reason to believe may disproportionately affect children, per the definition of ''covered regulatory action'' in section 2–202 of the Executive Order. This action is narrowly tailored to prevent the stranding of certain air conditioning and heat pump equipment using variable refrigerant flow technology while not affecting the demand for HFCs. Therefore, this action is not subject to Executive Order 13045 because it does not concern an environmental health risk or safety risk. Since this action does not concern human health, EPA's Policy on Children's Health also does not apply.

I. Executive Order 13211: Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use

This action is not a ''significant energy action'' because it is not likely to have a significant adverse effect on the supply, distribution, or use of energy. This action applies to certain subsectors that use regulated substances, none of which are used to supply or distribute energy.

J. National Technology Transfer and Advancement Act (NTTAA)

This rulemaking does not involve technical standards.

List of Subjects in 40 CFR Part 84

Environmental protection, Administrative practice and procedure, Air pollution control, Chemicals, Climate change, Emissions, Imports, Reporting and recordkeeping requirements.

Lee Zeldin,

Administrator.

For the reasons stated in the preamble, the EPA proposes to amend 40 CFR part 84 as follows:

PART 84—PHASEDOWN OF HYDROFLUOROCARBONS

■ 1. The authority citation for part 84 continues to read as follows:

Authority: Pub. L. 116–260, Division S, Sec. 103.

Subpart B—Restrictions on the Use of Hydrofluorocarbons

■ 2. Amend § 84.54 by:
■ a. Revising paragraph (a)(6).
■ b. Adding paragraphs (a)(10)(v), (12)(iv) and (v).
■ c. Revising paragraphs (c)(1), (5), (6), (7), and (9).
■ d. Adding paragraph (c)(10)(v).
■ e. Revising paragraphs (c)(11) and (12).

The revisions and additions read as follows:

§ 84.54 Restrictions on the use of hydrofluorocarbons.

(a) * * *

(6) Effective 30 days after publication of the final rule, refrigerated transport—intermodal containers with a box temperature of −35 °C (−31 °F) or higher using a regulated substance, or a blend containing a regulated substance, with a global warming potential of 700 or greater;

* * * * *

(10) * * *

(v) Chillers subject to paragraphs (iii) or (iv) with a refrigerant charge capacity less than 100 pounds that are used in the manufacture of semiconductors must comply with the restrictions of those paragraphs by January 1, 2030.

* * * * *

(12) * * *

(iv) Products subject to paragraphs (ii) or (iii) with a refrigerant charge capacity less than 100 pounds that are used in the manufacture of semiconductors must comply with the restrictions of those paragraphs by January 1, 2030;

(v) Refrigerated centrifuges and laboratory shaker tables subject to paragraphs (i) or (ii) must comply with the restrictions of those paragraphs by January 1, 2028.

* * * * *

(c) * * *

(1) Effective January 1, 2025, residential or light commercial air-conditioning or heat pump systems using a regulated substance, or a blend containing a regulated substance, with a global warming potential of 700 or greater, except for variable refrigerant flow air-conditioning and heat pump systems. New residential and light commercial air-conditioning and heat pump systems using a regulated substance, or a blend containing a regulated substance, with a global warming potential of 700 or greater may continue to be installed where all specified components of that system are manufactured or imported prior to January 1, 2025.

* * * * *

(5)(i) Effective January 1, 2026, chillers for industrial process refrigeration where the temperature of the fluid exiting the chiller is greater than −30 °C (−22 °F) using a regulated substance, or a blend containing a regulated substance, with a global warming potential of 700 or greater;

(ii) Effective January 1, 2030, chillers for industrial process refrigeration with a refrigerant charge capacity less than 100 pounds that are used in the manufacture of semiconductors where the temperature of the fluid exiting the chiller is greater than −30 °C (−22 °F) using a regulated substance, or a blend containing a regulated substance, with a global warming potential of 700 or greater;

(6)(i) Effective January 1, 2028, chillers for industrial process refrigeration where the temperature of the fluid exiting the chiller is greater than or equal to −50 °C (−58 °F) and less than or equal to −30 °C (−22 °F) using a regulated substance, or a blend containing a regulated substance, with a global warming potential of 700 or greater;

(ii) Effective January 1, 2030, chillers for industrial process refrigeration with a refrigerant charge capacity less than 100 pounds that are used in the manufacture of semiconductors where the temperature of the fluid exiting the chiller is greater than or equal to −50 °C (−58 °F) and less than or equal to −30 °C (−22 °F) using a regulated substance, or a blend containing a regulated substance, with a global warming potential of 700 or greater;

(7) Effective 30 days after publication of the final rule, refrigerated transport—intermodal containers with a box temperature of −35 °C (−31 °F) or higher using a regulated substance, or a blend containing a regulated substance, with a global warming potential of 700 or greater;

* * * * *

(9)(i) Effective January 1, 2026, cold storage warehouse systems using a regulated substance, or a blend containing a regulated substance, with a global warming potential of 700 or greater;

(ii) Effective January 1, 2032, cold storage warehouse systems using a regulated substance, or a blend containing a regulated substance, as follows:

(A) Systems with a refrigerant charge capacity of 200 pounds or greater, that are not the high temperature side of a cascade system, using a regulated substance, or a blend containing a regulated substance, with a global warming potential of 150 or greater;

(B) Systems with a refrigerant charge capacity less than 200 pounds using a regulated substance, or a blend containing a regulated substance, with a global warming potential of 300 or greater;

(C) Cascade refrigerant systems using a regulated substance, or a blend containing a regulated substance, on the high temperature side of the system with a global warming potential of 300 or greater;

(10) * * *

(v) Systems used in the manufacture of semiconductors with a charge size of less than 100 pounds must comply with the restrictions of paragraphs (ii)–(iv), as applicable, by January 1, 2030.

(11)(i) Effective January 1, 2026, remote condensing units in retail food refrigeration systems using a regulated substance, or a blend containing a regulated substance, with a global warming potential of 1,400 or greater;

(ii) Effective January 1, 2032, remote condensing units in retail food refrigeration systems using a regulated substance, or a blend containing a regulated substance, as follows:

(A) Systems with a refrigerant charge capacity of 200 pounds or greater, that are not the high temperature side of a cascade system, using a regulated substance, or a blend containing a regulated substance, with a global warming potential of 150 or greater;

(B) Systems with a refrigerant charge capacity less than 200 pounds using a regulated substance, or a blend containing a regulated substance, with a global warming potential of 300 or greater;

(C) Cascade refrigerant systems using a regulated substance, or a blend containing a regulated substance, on the high temperature side of the system with a global warming potential of 300 or greater;

(12)(i) Effective January 1, 2027, supermarket systems using a regulated substance, or a blend containing a regulated substance, with a global warming potential of 1,400 or greater;

(ii) Effective January 1, 2032, supermarket systems using a regulated substance, or a blend containing a regulated substance, as follows;

(A) Systems with a refrigerant charge capacity of 200 pounds or greater, that are not the high temperature side of a cascade system, using a regulated substance, or a blend containing a regulated substance, with a global warming potential of 150 or greater;

(B) Systems with a refrigerant charge capacity less than 200 pounds using a regulated substance, or a blend containing a regulated substance, with a global warming potential of 300 or greater;

(C) Cascade refrigerant systems using a regulated substance, or a blend containing a regulated substance, on the high temperature side of the system with a global warming potential of 300 or greater;

* * * * *

■ 3. Amend § 84.58 by revising paragraph (b) to read as follows:

§ 84.58 Labeling.

* * * * *

(b) Effective upon the date listed for each subsector in § 84.54(c), or the earliest date should the specified component be used in multiple subsectors, any specified component manufactured or imported and intended for use in those subsectors that uses or is intended to use any regulated substance, or blend containing any regulated substance, regardless of global warming potential, must have a permanent label compliant with paragraph (d) of this section containing the information in paragraph (a)(1) of this section. For specified components that are intended for use with a regulated substance or blends containing a regulated substance that exceed the applicable GWP limit or HFC restriction, the label must state ''For servicing existing equipment only'' in addition to the other required labeling elements.

* * * * *

[FR Doc. 2025–19438 Filed 10–2–25; 8:45 am]

BILLING CODE 6560–50–P

Notices

Federal Register
Vol. 90, No. 190
Friday, October 3, 2025

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

COMMISSION ON CIVIL RIGHTS

Notice of Public Meeting of the New Jersey Advisory Committee to the U.S. Commission on Civil Rights

AGENCY: U.S. Commission on Civil Rights.

ACTION: Notice of virtual business meeting.

SUMMARY: Notice is hereby given, pursuant to the provisions of the rules and regulations of the U.S. Commission on Civil Rights (Commission) and the Federal Advisory Committee Act, that the New Jersey Advisory Committee (Committee) to the U.S. Commission on Civil Rights will a public meeting via Zoom. The purpose is for the committee to select a topic of study and begin the Proposal Stage.

DATES: Monday, October 27, 2025, at 10:00 a.m. Eastern Time.

ADDRESSES:

Registration Link (Audio/Visual): https://www.zoomgov.com/webinar/register/WN_zwE3SGC9TjapAJC174Tktw.

Join by Phone (Audio Only): 1–833–435–1820 USA Toll Free; Webinar ID: 160 453 2641 #

Agenda Link: https://usccr.box.com/s/ezdjcd48w6ffwowj5tnc1t9zbs9ip5n7 (note: final agenda will be available prior to the meeting date).

FOR FURTHER INFORMATION CONTACT: Victoria Moreno, Designated Federal Officer, at *vmoreno@usccr.gov* or 1–434–515–0204.

SUPPLEMENTARY INFORMATION: Committee meetings are available to the public through a registration link (above). Any interested members of the public may attend committee meetings. An open comment period will be provided to allow members of the public to make oral statements as time allows. Pursuant to the Federal Advisory Committee Act, public minutes of each meeting will include a list of persons who are present. If joining via phone, callers can expect to incur regular charges for calls they initiate over wireless lines, according to their wireless plan. The Commission will not refund any incurred charges. Callers will incur no charge for calls they initiate over land-line connections to the toll-free telephone number. Closed captioning is available by selecting ''CC'' in the meeting platform. To request additional accommodations, please email *ebohor@usccr.gov* at least 10 business days prior to the meeting.

Members of the public are entitled to submit written comments; the comments must be received in the regional office within 30 days following the scheduled meeting. Written comments may be emailed to Evelyn Bohor at *ebohor@usccr.gov.* Persons who desire additional information may contact the Regional Programs Coordination Unit at 1–202–656–8937.

Records generated from this meeting may be inspected and reproduced at the Regional Programs Coordination Unit Office, as they become available, both before and after the meeting. Records of the meetings will be available via the file sharing website, *https://tinyurl.com/3ev8d9n9* as well as at: *www.facadatabase.gov* under the Commission on Civil Rights, selecting the Advisory Committee of interest. Persons interested in the work of this Committee are directed to the Commission's website, *http://www.usccr.gov,* or may contact the Regional Programs Coordination Unit at *ebohor@usccr.gov.*

Dated: September 30, 2025.

David Mussatt,

Supervisory Chief, Regional Programs Unit.

[FR Doc. 2025–19433 Filed 10–2–25; 8:45 am]

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COMMISSION ON CIVIL RIGHTS

Notice of Public Meeting of the Nebraska Advisory Committee to the U.S. Commission on Civil Rights

AGENCY: U.S. Commission on Civil Rights.

ACTION: Announcement of meetings.

SUMMARY: Notice is hereby given, pursuant to the provisions of the rules and regulations of the U.S. Commission on Civil Rights (Commission) and the Federal Advisory Committee Act that the Nebraska Advisory Committee (Committee) to the U.S. Commission on Civil Rights will hold a business meeting and report release virtual event via web conference. The purpose of the meeting on November 4, 2025 at 3:30 p.m. (CST) will be to discuss post-report activities for their report on the Effects of the Covid–19 Pandemic on K–12 Education in the State. The pupose of the virtual event on November 13, 2025 at 11:00 a.m. (CST) is to share a presentation about the recently published report on the Effects of the Covid–19 Pandemic on K–12 Education in the State.

ADDRESSES: The meeting will be held via Zoom.

Tuesday, November 4, 2025 From 3:30 p.m.–5:00 p.m. Central Time

Registration Link (Audio/Visual): https://www.zoomgov.com/webinar/register/WN_OGmeDtA4Tc2iB7pQRRlLMQ.

Join by Phone (Audio Only): 1–833–435–1820 USA Toll Free; Meeting ID: 160 207 8199.

Thursday, November 13, 2025 From 11:00 a.m.–12:00 p.m. Central Time

Registration Link (Audio/Visual): https://www.zoomgov.com/webinar/register/WN_XtfWHDb3Qp6DxeqnLDz-jQ.

Join by Phone (Audio Only): 1–833–435–1820 USA Toll Free; Meeting ID: 161 561 4822.

FOR FURTHER INFORMATION CONTACT: Victoria Moreno, DFO, at *vmoreno@usccr.gov* or by phone at 434–515–0204.

SUPPLEMENTARY INFORMATION: Members of the public may listen to the discussions through the above call-in numbers (audio only) or online registration links (audio/visual). An open comment period at each meeting will be provided to allow members of the public to make a statement as time allows. Callers can expect to incur regular charges for calls they initiate over wireless lines, according to their wireless plan. The Commission will not refund any incurred charges. Callers will incur no charge for calls they initiate over land-line connections to the toll-free telephone number. Individuals who are deaf, deafblind, and/or hard of hearing may also follow the proceedings by first calling the Federal Relay Service at 1–800–877–8339 and providing the Service with the

conference call number and meeting ID number.

Members of the public are entitled to submit written comments; the comments must be received in the regional office within 30 days following the meetings. Written comments may be emailed to Victoria Moreno at *vmoreno@usccr.gov.*

Records generated from this meeting may be inspected and reproduced at the Regional Programs Unit Office, as they become available, both before and after the meetings. Records of the meetings will be available via *www.facadatabase.gov* under the Commission on Civil Rights, Nebraska Advisory Committee link. Persons interested in the work of this Committee are directed to the Commission's website, *http://www.usccr.gov,* or may contact the Regional Programs Unit at the above email or street address.

Agenda for November 4, 2025 Can Be Found in the FY2026 Meeting Records Folder Here

https://usccr.app.box.com/folder/265885544892?s=mllfk8buuqc8px161vwq7oiboct6u5il.

Agenda for November 13, 2025 Can Be Found FY2026 Meeting Records Folder Here

https://usccr.app.box.com/folder/265885544892?s=mllfk8buuqc8px161vwq7oiboct6u5il.

Dated: September 30, 2025.

David Mussatt,

Supervisory Chief, Regional Programs Unit.

[FR Doc. 2025–19432 Filed 10–2–25; 8:45 am]

BILLING CODE;P

COMMISSION ON CIVIL RIGHTS

Notice of Public Meeting of the South Carolina Advisory Committee to the U.S. Commission on Civil Rights

AGENCY: U.S. Commission on Civil Rights.

ACTION: Notice of virtual business meeting.

SUMMARY: Notice is hereby given, pursuant to the provisions of the rules and regulations of the U.S. Commission on Civil Rights (Commission) and the Federal Advisory Committee Act, that the South Carolina Advisory Committee (Committee) to the U.S. Commission on Civil Rights will hold a public meeting via Zoom. The purpose of the meeting is to continue discussing potential civil rights topics of study, selecting a topic of study, and beginning the Proposal Stage.

DATES: Friday, October 24, 2025, from 11:00 a.m.–12:30 p.m. Eastern Time.

ADDRESSES: The meeting will be held via Zoom.

Registration Link (Audio/Visual): https://www.zoomgov.com/webinar/register/WN_u9LalXGVSUyPdz-qnIHnSQ.

Join by Phone (Audio Only): 1–833–435–1820 USA Toll Free; Webinar ID: 161 782 0727#.

FOR FURTHER INFORMATION CONTACT: Victoria Moreno, Designated Federal Officer, at *vmoreno@usccr.gov* or (434) 515–0204.

SUPPLEMENTARY INFORMATION: This Committee meeting is available to the public through the registration link above. Any interested members of the public may attend this meeting. An open comment period will be provided to allow members of the public to make oral comments as time allows. Pursuant to the Federal Advisory Committee Act, public minutes of the meeting will include a list of persons who are present at the meeting. If joining via phone, callers can expect to incur regular charges for calls they initiate over wireless lines, according to their wireless plan. The Commission will not refund any incurred charges. Callers will incur no charge for calls they initiate over land-line connections to the toll-free telephone number. Closed captioning is available by selecting ''CC'' in the meeting platform. To request additional accommodations, please email *svillanueva@usccr.gov* at least 10 business days prior to the meeting.

Members of the public are entitled to submit written comments; the comments must be received in the regional office within 30 days following the scheduled meeting. Written comments may be submitted via the following form: *https://wkf.ms/4n7DKT3.* Persons who desire additional information may contact the Regional Programs Coordination Unit at (434) 515–0204.

Records generated from this meeting may be inspected and reproduced at the Regional Programs Coordination Unit Office, as they become available, both before and after the meeting. Records of the meetings will be available via the file sharing website, *https://bit.ly/3YnhKJx.* Persons interested in the work of this Committee are directed to the Commission's website, *http://www.usccr.gov,* or may contact the Regional Programs Coordination Unit at *svillanueva@usccr.gov.*

Agenda

—Agenda for this meeting is available at the following link: *https://usccr.box.com/s/838n8zjxicbx6ak4bqvd1oti4b4rel6m.*

Dated: September 30, 2025.

David Mussatt,

Supervisory Chief, Regional Programs Unit.

[FR Doc. 2025–19434 Filed 10–2–25; 8:45 am]

BILLING CODE;P

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[Order No. 2176]

Reorganization of Foreign-Trade Zone 2 (Expansion of Service Area) Under Alternative Site Framework; New Orleans, Louisiana

Pursuant to its authority under the Foreign-Trade Zones Act of June 18, 1934, as amended (19 U.S.C. 81a–81u), the Foreign-Trade Zones Board (the Board) adopts the following Order:

Whereas, the Foreign-Trade Zones (FTZ) Act provides for ''. . . the establishment . . . of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes,'' and authorizes the Board to grant to qualified corporations the privilege of establishing foreign-trade zones in or adjacent to U.S. Customs and Border Protection ports of entry;

Whereas, the Board adopted the alternative site framework (ASF) (15 CFR 400.2(c)) as an option for the establishment or reorganization of zones;

Whereas, the Port of New Orleans, grantee of Foreign-Trade Zone 2, submitted an application to the Board (FTZ Docket B–60–2024, docketed December 2, 2024) for authority to expand the service area of the zone to include St. Tammany Parish, as described in the application, adjacent to the New Orleans Customs and Border Protection port of entry;

Whereas, notice inviting public comment was given in the **Federal Register** (89 FR 96638, December 5, 2024) and the application has been processed pursuant to the FTZ Act and the Board's regulations; and,

Whereas, the Board adopts the findings and recommendations of the examiners' report, and finds that the requirements of the FTZ Act and the Board's regulations are satisfied;

Now, therefore, the Board hereby orders:

The application to reorganize FTZ 2 to expand the service area under the

ASF is approved, subject to the FTZ Act and the Board's regulations, including section 400.13, and to the Board's standard 2,000-acre activation limit for the zone.

Dated: September 24, 2025.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

[FR Doc. 2025–19405 Filed 10–2–25; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[B–4–2025]

Foreign-Trade Zone (FTZ) 18; Authorization of Limited Production Activity; Halo Industries, Inc.; (Semiconductor Wafers); Santa Clara, California

On January 28, 2025, the City of San Jose Office of Economic Development, grantee of FTZ 18, submitted a notification of proposed production activity to the FTZ Board on behalf of Halo Industries, Inc., within Subzone 18R, in Santa Clara, California.

The notification was processed in accordance with the regulations of the FTZ Board (15 CFR part 400), including notice in the **Federal Register** inviting public comment (90 FR 9133, February 7, 2025). On September 29, the applicant was notified of the FTZ Board's decision that further review of part of the proposed activity is warranted. The FTZ Board authorized the production activity described in the notification on a limited basis, subject to the FTZ Act and the Board's regulations, including section 400.14, and further subject to a restriction requiring further review prior to the potential authorization of authority for the unfinished silicon carbide wafers component.

Dated: September 30, 2025.

Elizabeth Whiteman,

Executive Secretary.

[FR Doc. 2025–19406 Filed 10–2–25; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

Bureau of Industry and Security

URAL Airlines JSC, Utrenniy Lane 1-g, Yekaterinburg, Russia 620025; Order Renewing Temporary Denial of Export Privileges

Pursuant to Section 766.24 of the Export Administration Regulations, 15 CFR parts 730–774 (''EAR'' or ''the Regulations''),[1] I hereby grant the request of the Office of Export Enforcement (''OEE'') to renew the temporary denial order (''TDO'') issued in this matter on September 20, 2024. I find that renewal of this order is necessary in the public interest to prevent an imminent violation of the Regulations and that renewal for an extended period is appropriate because URAL Airlines JSC (''Ural'') has engaged in a pattern of repeated, ongoing and/or continuous apparent violations of the EAR.

I. Procedural History

On October 13, 2022, the then-Assistant Secretary of Commerce for Export Enforcement (''Assistant Secretary'') signed an order denying Ural's export privileges for a period of 180 days on the grounds that issuance of the order was necessary in the public interest to prevent an imminent violation of the Regulations. The order was issued *ex parte* pursuant to Section 766.24(a) of the Regulations and was effective upon issuance.[2] This temporary denial order was subsequently renewed in accordance with Section 766.24(d) of the Regulations.[3] The renewal order issued on April 10, 2023, and was effective upon issuance.[4] Subsequent renewal orders issued on October 6, 2023, and October 4, 2024, respectively, and were also effective upon issuance.[5]

On September 9, 2025, BIS, through OEE, submitted a written request for renewal of the TDO that issued on October 4, 2024. The written request was made more than 20 days before the TDO's scheduled expiration and, given the temporary suspension of international mail service to Russia, OEE has attempted to deliver a copy of the renewal request to Ural by alternative means in accordance with Sections 766.5 and 766.24(d) of the Regulations. No opposition to the renewal of the TDO has been received.

II. Renewal of the TDO

A. Legal Standard

Pursuant to Section 766.24, BIS may issue an order temporarily denying a respondent's export privileges upon a showing that the order is necessary in the public interest to prevent an ''imminent violation'' of the Regulations, or any order, license or authorization issued thereunder. 15 CFR 766.24(b)(1) and 766.24(d). ''A violation may be 'imminent' either in time or degree of likelihood.'' 15 CFR 766.24(b)(3). BIS may show ''either that a violation is about to occur, or that the general circumstances of the matter under investigation or case under criminal or administrative charges demonstrate a likelihood of future violations.'' *Id.* As to the likelihood of future violations, BIS may show that the violation under investigation or charge ''is significant, deliberate, covert and/or likely to occur again, rather than technical or negligent[.]'' *Id.* A ''lack of information establishing the precise time a violation may occur does not preclude a finding that a violation is imminent, so long as there is sufficient reason to believe the likelihood of a violation.'' *Id.*

If BIS believes that renewal of a denial order is necessary in the public interest to prevent an imminent violation, it may file a written request for renewal, with any modifications if appropriate. 15 CFR 766.24(d)(1). The written request, which must be filed no later than 20 days prior to the TDO's expiration,

[1] On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which includes the Export Control Reform Act of 2018, 50 U.S.C. 4801–4852 (''ECRA''). While Section 1766 of ECRA repeals the provisions of the Export Administration Act, 50 U.S.C. App. § 2401 *et seq.* (''EAA''), (except for three sections which are inapplicable here), Section 1768 of ECRA provides, in pertinent part, that all orders, rules, regulations, and other forms of administrative action that were made or issued under the EAA, including as continued in effect pursuant to the International Emergency Economic Powers Act, 50 U.S.C. 1701 *et seq.* (''IEEPA''), and were in effect as of ECRA's date of enactment (August 13, 2018), shall continue in effect according to their terms until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA. Moreover, Section 1761(a)(5) of ECRA authorizes the issuance of temporary denial orders. 50 U.S.C. 4820(a)(5).

[2] The TDO was published in the **Federal Register** on October 19, 2022 (87 FR 63477).

[3] At the time of the renewal, Section 766.24(d) provided that BIS may seek renewal of a temporary denial order for additional 180-day renewal periods, if it believes that renewal is necessary in the public interest to prevent an imminent violation. Renewal requests are to be made in writing no later than 20 days before the scheduled expiration date of a temporary denial order.

[4] The April 10, 2023 renewal order was published in the **Federal Register** on April 13, 2023 (88 FR 22406).

[5] The October 6, 2023 renewal order was published in the **Federal Register** on October 13, 2023 (88 FR 70925). The October 4, 2024 renewal order was published in the **Federal Register** on October 9, 2024 (89 FR 81881).

should set forth the basis for BIS's belief that renewal is necessary, including any additional or changed circumstances. *Id.* ''In cases demonstrating a pattern of repeated, ongoing and/or continuous apparent violations, BIS may request the renewal of a temporary denial order for an additional period not exceeding one year.'' [6] *Id.*

B. The TDO and BIS's Request for Renewal

The U.S. Commerce Department, through BIS, responded to the Russian Federation's (''Russia's'') further invasion of Ukraine by implementing a sweeping series of stringent export controls that severely restrict Russia's access to technologies and other items that it needs to sustain its aggressive military capabilities. These controls primarily target Russia's defense, aerospace, and maritime sectors and are intended to cut off Russia's access to vital technological inputs, atrophy key sectors of its industrial base, and undercut Russia's strategic ambitions to exert influence on the world stage. Effective February 24, 2022, BIS imposed expansive controls on aviation-related (*e.g.,* Commerce Control List Categories 7 and 9) items to Russia, including a license requirement for the export, reexport or transfer (in-country) to Russia of any aircraft or aircraft parts specified in Export Control Classification Number (''ECCN'') 9A991 (Section 746.8(a)(1) of the EAR).[7] BIS will review any export or reexport license applications for such items under a policy of denial. *See* Section 746.8(b). Effective March 2, 2022, BIS excluded any aircraft registered in, owned, or controlled by, or under charter or lease by Russia or a national of Russia from being eligible for license exception Aircraft, Vessels, and Spacecraft (''AVS'') (Section 740.15 of the EAR).[8] Accordingly, any U.S.-origin aircraft or foreign aircraft that includes more than 25% controlled U.S.-origin content, and that is registered in, owned, or controlled by, or under charter or lease by Russia or a national of Russia, is subject to a license requirement before it can travel to Russia.

OEE's request for renewal for a period of one year is based upon the facts underlying the issuance of the initial TDO and the renewal orders subsequently issued in this matter, as well as other evidence developed during this investigation. These facts and evidence demonstrate that Ural has continued, and continues, to act in blatant disregard for U.S. export controls and the terms of previously issued TDOs. Specifically, the initial TDO, issued on October 13, 2022, was based on evidence that Ural engaged in conduct prohibited by the Regulations by operating multiple aircraft subject to the EAR and classified under ECCN 9A991.b on flights into Russia after March 2, 2022 from destinations including, but not limited to, Bishkek, Kyrgyzstan; Dushanbe, Tajikistan; Khudzhand, Tajikistan; and Tamchy, Kyrgyzstan, without the required BIS authorization.[9] Further evidence submitted by BIS indicated that Ural was continuing to operate aircraft subject to the EAR domestically on flights within Russia, potentially in violation of Section 736.2(b)(10) of the Regulations.

As discussed in the October 6, 2023 and October 4, 2024 renewal orders, evidence presented by BIS indicated that, after the initial order issued, Ural continued to operate aircraft subject to the EAR and classified under ECCN 9A991.b on flights both into and out of Russia, in violation of the Regulations and the TDO itself.[10] Specifically, the October 6, 2023 renewal order detailed Ural's continued operation of aircraft subject to the EAR, including, but not limited to, on flights into and out of Russia from/to Dushanbe, Tajikistan, Tamchy, Kyrgyzstan, and Bishkek, Kyrgyzstan, as well as within Russia.[11] Similarly, the October 4, 2024 renewal order detailed Ural's continued operation of aircraft subject to the EAR, including, but not limited to, on flights into and out of Russia from/to Khujand, Tajikistan, Osh, Kyrgyzstan, and Dushanbe, Tajikistan as well as domestically within Russia.[12]

Since that time, Ural has continued to engage in conduct prohibited by the applicable TDO and Regulations. In its September 9, 2025 request for renewal of the TDO, BIS submitted evidence that Ural is operating aircraft subject to the EAR and classified under ECCN 9A991.b, both on flights into and within Russia, in violation of the October 4, 2024 TDO and/or the Regulations. Specifically, BIS's evidence and related investigation demonstrates that Ural has continued to operate aircraft subject to the EAR, including, but not limited to, on flights into and out of Russia from/to Dushanbe, Tajikistan, Khujand, Tajikistan, and Osh, Kyrgyzstan as well as domestically within Russia. Information about those flights includes, but is not limited to, the following:

Tail No.	Serial No.	Aircraft type	Departure/arrival cities	Dates
RA–73817	05055	A320–232	Bishkek, KG/Yekaterinburg, RU	September 15, 2025.
RA–73817	05055	A320–232	Dushanbe, TJ/Samara, RU	September 5, 2025.
RA–73817	05055	A320–232	Kaliningrad, RU/Yekaterinburg, RU	August 11, 2025.
RA–73817	05055	A320–232	Khujand, TJ/Yekaterinburg, RU	August 10, 2025.
RA–73817	05055	A320–232	Yekaterinburg, RU/Dushanbe, TJ	August 8, 2025.
RA–73819	02343	A320–232	Chelyabinsk, RU/Dushanbe, TJ	September 15, 2025.
RA–73819	02343	A320–232	Moscow, RU/Chelyabinsk, RU	September 5, 2025.
RA–73819	02343	A320–232	Khujand, TJ/Yekaterinburg, RU	September 4, 2025.
RA–73819	02343	A320–232	Sochi, RU/Kazan, RU	August 29, 2025.
RA–73819	02343	A320–232	Dushanbe, TJ/Chelyabinsk, RU	August 19, 2025.
RA–73798	07206	A321–231	Noyabrsk, RU/Moscow, RU	September 15, 2025.

[6] 88 FR 59791 (Aug. 30, 2023).

[7] 87 FR 12226 (Mar. 3, 2022). Additionally, BIS published a final rule effective April 8, 2022, which imposed licensing requirements on items controlled on the Commerce Control List (''CCL'') under Categories 0–2 that are destined for Russia or Belarus. Accordingly, now all CCL items require export, reexport, and transfer (in-country) licenses if destined for or within Russia or Belarus. 87 FR 22130 (Apr. 14, 2022).

[8] 87 FR 13048 (Mar. 8, 2022).

[9] Publicly available flight tracking information shows multiple flights into Russia, including the following: on September 10, 2022, serial number (SN) 05055 flew from Dushanbe, Tajikistan to Irkutsk, Russia, and on September 6, 2022, SN5055 flew from Khudzhand, Tajikistan to Sochi, Russia. In addition, on October 6, 2022, SN 05055 flew from Bishkek, Kyrgyzstan to Samara, Russia.

[10] Engaging in conduct prohibited by a denial order violates the Regulations. 15 CFR 764.2(a) and (k).

[11] Publicly available flight tracking information shows that SN 05055 flew from Dushanbe, Tajikistan to Yekaterinburg, Russia on September 5, 2023. In addition, on August 21, 2023, SN 02376 flew from Tamchy Kyrgyzstan to Moscow, Russia. On September 4, 2023, SN 01941 flew from Bishkek, Kyrgyzstan to Moscow, Russia.

[12] Publicly available flight tracking information shows that SN 05055 flew from Mineralnye Vody, Russia to Khujand, Tajikistan on September 17, 2024. In addition, on September 4, 2024 SN 07206 flew from Osh, Kyrgyzstan to Moscow, Russia. On September 3, 2023, SN 2376 flew from Dushanbe, Tajikistan to Yekateringburg, Russia.

Tail No.	Serial No.	Aircraft type	Departure/arrival cities	Dates
RA–73798	07206	A321–231	Moscow, RU/Omsk, RU	September 4, 2025.
RA–73798	07206	A321–231	Ufa, RU/Noyabrsk, RU	August 11, 2025.
RA–73798	07206	A321–231	Osh, KG/Moscow, RU	January 27, 2025.
RA–73798	07206	A321–231	Moscow, RU/Dushanbe, TJ	January 26, 2025.

III. Findings

Under the applicable standard set forth in Section 766.24 of the Regulations and my review of the entire record, I find that the evidence presented by BIS convincingly demonstrates that Ural has acted in violation of the Regulations and the TDO; that such violations have been significant and deliberate; and that given the foregoing and the nature of the matters under investigation, there is a likelihood of imminent violations. Moreover, I find that renewal for an extended period is appropriate because Ural has engaged in a pattern of repeated, ongoing and/or continuous apparent violations of the EAR. Therefore, renewal of the TDO for one year is necessary in the public interest to prevent imminent violation of the Regulations and to give notice to companies and individuals in the United States and abroad that they should avoid dealing with Ural, in connection with export and reexport transactions involving items subject to the Regulations and in connection with any other activity subject to the Regulations.

IV. Order

It is therefore ordered: First, Ural Airlines JSC, Utrenniy Lane 1-g, Yekaterinburg, Russia, 620025, when acting for or on their behalf, any successors or assigns, agents, or employees may not, directly or indirectly, participate in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as ''item'') exported or to be exported from the United States that is subject to the EAR, or in any other activity subject to the EAR including, but not limited to:

A. Applying for, obtaining, or using any license (except directly related to safety of flight), license exception, or export control document;

B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the EAR except directly related to safety of flight and authorized by BIS pursuant to Section 764.3(a)(2) of the Regulations, or engaging in any other activity subject to the EAR except directly related to safety of flight and authorized by BIS pursuant to Section 764.3(a)(2) of the Regulations; or

C. Benefitting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the EAR, or from any other activity subject to the EAR except directly related to safety of flight and authorized by BIS pursuant to Section 764.3(a)(2) of the Regulations.

Second, that no person may, directly or indirectly, do any of the following:

A. Export, reexport, or transfer (in-country) to or on behalf of Ural any item subject to the EAR except directly related to safety of flight and authorized by BIS pursuant to Section 764.3(a)(2) of the Regulations;

B. Take any action that facilitates the acquisition or attempted acquisition by Ural of the ownership, possession, or control of any item subject to the EAR that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby Ural acquires or attempts to acquire such ownership, possession or control except directly related to safety of flight and authorized by BIS pursuant to Section 764.3(a)(2) of the Regulations;

C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from Ural of any item subject to the EAR that has been exported from the United States except directly related to safety of flight and authorized by BIS pursuant to Section 764.3(a)(2) of the Regulations;

D. Obtain from Ural in the United States any item subject to the EAR with knowledge or reason to know that the item will be, or is intended to be, exported from the United States except directly related to safety of flight and authorized by BIS pursuant to Section 764.3(a)(2) of the Regulations; or

E. Engage in any transaction to service any item subject to the EAR that has been or will be exported from the United States and which is owned, possessed or controlled by Ural, or service any item, of whatever origin, that is owned, possessed or controlled by Ural if such service involves the use of any item subject to the EAR that has been or will be exported from the United States except directly related to safety of flight and authorized by BIS pursuant to Section 764.3(a)(2) of the Regulations. For purposes of this paragraph, servicing means installation, maintenance, repair, modification, or testing.

Third, that, after notice and opportunity for comment as provided in section 766.23 of the EAR, any other person, firm, corporation, or business organization related to Ural by ownership, control, position of responsibility, affiliation, or other connection in the conduct of trade or business may also be made subject to the provisions of this Order.

In accordance with the provisions of Sections 766.24(e) of the EAR, Ural may, at any time, appeal this Order by filing a full written statement in support of the appeal with the Office of the Administrative Law Judge, U.S. Coast Guard ALJ Docketing Center, 40 South Gay Street, Baltimore, Maryland 21202–4022.

In accordance with the provisions of Section 766.24(d) of the EAR, BIS may seek renewal of this Order by filing a written request not later than 20 days before the expiration date. A renewal request may be opposed by Ural as provided in Section 766.24(d), by filing a written submission with the Assistant Secretary of Commerce for Export Enforcement, which must be received not later than seven days before the expiration date of the Order.

A copy of this Order shall be provided to Ural, and shall be published in the **Federal Register**.

This Order is effective immediately and shall remain in effect for one year.

Ross Kennedy,

Senior Advisor, Performing the Non-Exclusive Functions and Duties of the Assistant Secretary of Export Enforcement.

[FR Doc. 2025–19436 Filed 10–2–25; 8:45 am]

BILLING CODE 3510–DT–P

DEPARTMENT OF COMMERCE

International Trade Administration

Duke University *et al.;* Application(s) for Duty-Free Entry of Scientific Instruments

Pursuant to Section 6(c) of the Educational, Scientific and Cultural

Materials Importation Act of 1966 (Pub. L. 89–651, as amended by Pub. L. 106–36; 80 Stat. 897; 15 CFR part 301), we invite comments on the question of whether instruments of equivalent scientific value, for the purposes for which the instruments shown below are intended to be used, are being manufactured in the United States.

Comments must comply with 15 CFR 301.5(a)(3) and (4) of the regulations and be postmarked on or before October 23, 2025. Address written comments to Statutory Import Programs Staff, Room 40005, U.S. Department of Commerce, Washington, DC 20230. Please also email a copy of those comments to *Eva.Kim@trade.gov*.

Docket Number: 25–019. Applicant: Duke University, 324 Blackwell Street, Durham, NC 27701. Instrument: Narrow Linewidth, Tunable, High Power, 326 nm Laser (greater than 1 W output power). Manufacturer: Shanghai Precilasers Technology Co. Ltd., China. Intended Use: The instrument is intended to investigate exotic quantum systems based on neutral indium atoms. Justification for Duty-Free Entry: According to the applicant, there are no instruments of the same general category manufactured in the United States. Application accepted by Commissioner of Customs: May 9, 2025.

Docket Number: 25–020. Applicant: University of Southern California, 825 Bloom Walk, Los Angeles, CA 90089. Instrument: Single Frequency Fiber Laser (606 nm wavelength and 5 W output power). Manufacturer: Shanghai Precilasers Technology Co. Ltd., China. Intended Use: The instrument is intended to control molecules at the single-quantum state level to develop novel quantum information and computation systems, perform quantum simulations of complex many-body systems, and harness the unique properties of molecules for quantum sensing applications. Justification for Duty-Free Entry: According to the applicant, there are no instruments of the same general category manufactured in the United States. Application accepted by Commissioner of Customs: May 9, 2025.

Docket Number: 25–021. Applicant: New York University, 726 Broadway, 1070 New York, NY 10003. Instrument: Fiber Laser (2923 nm wavelength and 100 mW output power). Manufacturer: Shanghai Precilasers Technology Co. Ltd., China. Intended Use: The instrument is intended to study quantum optics in subwavelength arrays of ultracold strontium atoms. Justification for Duty-Free Entry: According to the applicant, there are no instruments of the same general category manufactured in the United States. Application accepted by Commissioner of Customs: May 14, 2025.

Docket Number: 25–022. Applicant: University of Colorado, JILA Dept, Campus Box 440, UCB Boulder, CO 80309. Instrument: Narrow Linewidth Laser (647 nm and 649 nm wavelength and greater than 1W output power). Manufacturer: Shanghai Precilasers Technology Co. Ltd., China. Intended Use: The instrument is intended to be used to continuously repump the multitude of accessible states during photon cycling in a molecular laser cooling experiment. Justification for Duty-Free Entry: According to the applicant, there are no instruments of the same general category manufactured in the United States. Application accepted by Commissioner of Customs: May 20, 2025.

Docket Number: 25–023. Applicant: University of California, Riverside, 3401 Watkins Drive, Riverside, CA 92521. Instrument: Basic 3D-microfabrication system with Piezo 100 microns—MicroFAB–3D. Manufacturer: MICROLIGHT3D SAS, France. Intended Use: The instrument is intended to be used to study microfluidic devices such as microneedles, microvalves, implantable optofluidic devices. Justification for Duty-Free Entry: According to the applicant, there are no instruments of the same general category manufactured in the United States. Application accepted by Commissioner of Customs: May 8, 2025.

Docket Number: 25–029. Applicant: California Institute of Technology, 1200 E California Blvd., Pasadena, CA 91125. Instrument: Narrow-Linewidth Laser System (813 nm Wavelength and greater than 15 W output power). Manufacturer: Shanghai Precilasers Technology Co., Ltd., China. Intended Use: The instrument is intended to be used to conduct quantum science experiments with strontium atoms in optical tweezer arrays. Justification for Duty-Free Entry: According to the applicant, there are no instruments of the same general category manufactured in the United States. Application accepted by Commissioner of Customs: May 30, 2025.

Docket Number: 25–032. Applicant: Washington State University, French Administration, Building 240, PO Box 64120, Pullman, WA 99164. Instrument: External cavity diode laser; High power laser (820nm, 1012nm, 480nm, 960 nm Wavelength and greater than 70 mW, 80 mW, 200 mW, and 40 mW output power, respectively). Manufacturer: Spectraline Photonics Technologies (Wuhan) Co., Ltd., China. Intended Use: The instrument is intended to be used to generate two-qubits quantum computing system. Justification for Duty-Free Entry: According to the applicant, there are no instruments of the same general category manufactured in the United States. Application accepted by Commissioner of Customs: May 30, 2025.

Docket Number: 25–039. Applicant: Stanford University, 348 Via Pueblo Rd., Stanford, CA 94305). Instrument: 782 nm High Power Narrow Linewidth Laser (greater than 5W output power). Manufacturer: Shanghai Precilasers Technology Co. Ltd., China. Intended Use: The instrument is intended to be used to study cavity quantum electrodynamics. Justification for Duty-Free Entry: According to the applicant, there are no instruments of the same general category manufactured in the United States. Application accepted by Commissioner of Customs: June 17, 2025.

Docket Number: 25–050. Applicant: Massachusetts Institute of Technology, 77 Massachusetts Ave, Cambridge, MA 02139. Instrument: Cryogen-Free Dilution Refrigerator (base temperature below 10mK, cooling power at 20mK of more than 20 μW, cooling power at 100mK of more than 400 μW, and cool down to base temperature in less than 30 hours unloaded). Manufacturer: Bluefors Inc., Finland. Intended Use: The instrument is intended to be used to perform research in superconducting quantum computing. Justification for Duty-Free Entry: According to the applicant, there are no instruments of the same general category manufactured in the United States. Application accepted by Commissioner of Customs: June 23, 2025.

Docket Number: 25–051. Applicant: UChicago Argonne LLC, 9700 S Cass Avenume, Lemont, Illinois 60439. Instrument: Fully Motorized Transfer System, HQ2D MOT. Manufacturer: HQ Graphene Systems B.V., Netherlands. Intended Use: The instrument is intended to efficiently perform dry or semi-dry transfer processes of high-quality two-dimensional (2D) materials. Justification for Duty-Free Entry: According to the applicant, there are no instruments of the same general category manufactured in the United States. Application accepted by Commissioner of Customs: June 11, 2025.

Docket Number: 25–052. Applicant: California State University Long Beach, 1250 Bellflower Blvd., Long Beach, CA 90840. Instrument: Dilution Refrigerator Insert (with cryogenic microwave filtering). Manufacturer: Oxford Instruments, U.K. Intended Use: The

instrument is intended to study quantum materials with properties that are useful for future technologies in quantum information science and photovoltaics. Justification for Duty-Free Entry: According to the applicant, there are no instruments of the same general category manufactured in the United States. Application accepted by Commissioner of Customs: June 5, 2025.

Docket Number: 25–053. Applicant: University of Wisconsin-Madison, 1150 University Ave, Madison, WI 53706. Instrument: Dilution Refrigerator System with Bottom—Loading Mechanism, Vibration Isolation, Optical Access and Vector Magnet (base temperature below 10 mK, cooling power greater than 250 μW at 100 mK and more than 12 μW at 20 mK) . Manufacturer: Bluefors Inc., Finland. Intended Use: The instrument is intended to investigate 2D superconductivity and 2D magnetism as emergent quantum phenomena in 2D quantum materials. Justification for Duty-Free Entry: According to the applicant, there are no instruments of the same general category manufactured in the United States. Application accepted by Commissioner of Customs: June 3, 2025.

Docket Number: 25–054. Applicant: Cornell University, 211 Clark Hall, 142 Sciences Drive, Ithaca, NT 14853. Instrument: Electron Microscope–TESCAN AMBER X 2 GMH S8251X S/N 124–0231. Manufacturer: TESCAN Group, Czech Republic. Intended Use: The instrument is intended to be used to view the structure and electronic properties of the material at the atomic scale to learn about its properties. Justification for Duty-Free Entry: According to the applicant, there are no instruments of the same general category manufactured in the United States. Application accepted by Commissioner of Customs: June 25, 2025.

Docket Number: 25–055. Applicant: Massachusetts Institute of Technology, 77 Massachusetts Avenue, Cambridge, MA 02139. Instrument: Dilution Refrigerator with Passive Damper and Helium Battery (Base temperature below 10 mK, cooling power more than 14 μW at 20 mK, and cool down to base temperature in less than 24 hours unloaded). Manufacturer: Bluefors Inc., Finland. Intended Use: The instrument is intended to be used to study the electrical resistance of two-dimensional material devices, such as graphene. Justification for Duty-Free Entry: According to the applicant, there are no instruments of the same general category manufactured in the United States. Application accepted by Commissioner of Customs: June 17, 2025.

Docket Number: 25–056. Applicant: University at Buffalo, The State University of New York, 224 Crofts Hall, Buffalo, NY 14260. Instrument: Duo-Axis Rotation Probe. Manufacturer: Multi-Field Low Temperature Technology (Beijing) Co., Ltd., China. Intended Use: The instrument is intended to provide precise measurements of superconducting thin films and quantum materials in cryogenic environments, supporting angular-dependent studies of critical current density and magnetic anisotropy. Justification for Duty-Free Entry: According to the applicant, there are no instruments of the same general category manufactured in the United States. Application accepted by Commissioner of Customs: June 18, 2025.

Docket Number: 25–057. Applicant: Yale School of Medicine, 899 Howard Avenue, CMHC, New Haven, CT 06519. Instrument: Supernova-100 Miniature two-photon microscopy imaging system (mini 2-photon imaging with two lasers and two different wavelengths). Manufacturer: Transcend Vivoscope, China. Intended Use: The instrument is intended to investigate the effects of the primary cannabionoids found in cannabis, tetrahydrocannabinol (THC) and cannabidiol (CBD) on neurodevelopment when exposure occurs during early life. Justification for Duty-Free Entry: According to the applicant, there are no instruments of the same general category manufactured in the United States. Application accepted by Commissioner of Customs: June 17, 2025.

Dated: September 30, 2025.

Tyler J. O'Daniel,

Acting Director, Subsidies Enforcement, Enforcement and Compliance.

[FR Doc. 2025–19407 Filed 10–2–25; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–533–873]

Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel From India: Preliminary Results of Antidumping Duty Administrative Review; 2023–2024

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) is conducting an administrative review of the antidumping (AD) order on certain cold-drawn mechanical tubing of carbon and alloy steel (cold-drawn mechanical tubing) from India for the period of review (POR) June 1, 2023, through May 31, 2024. Commerce preliminarily finds that Goodluck India Limited (Goodluck) did not make sales of subject merchandise at prices below normal value (NV) during the POR, and Tube Products of India, Ltd., a unit of Tube Investments of India Limited (TII) made sales of subject merchandise at prices below normal NV during the POR. We invite interested parties to comment on these preliminary results.

DATES: Applicable October 3, 2025.

FOR FURTHER INFORMATION CONTACT: Eliza DeLong or Colin Thrasher, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–3878 or (202) 482–3004, respectively.

SUPPLEMENTARY INFORMATION:

Background

On July 29, 2024, Commerce initiated an administrative review of the AD order on cold-drawn mechanical tubing from India,[1] in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act).[2] This review covers two producers/exporters of subject merchandise, Goodluck and TII. On December 9, 2024, Commerce tolled certain deadlines in this administrative proceeding by 90 days,[3] and on April 28, 2025, Commerce extended the time limit for issuing the preliminary results of this review until September 29, 2025.[4] For a complete description of the

[1] *See Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from the People's Republic of China, the Federal Republic of Germany, India, Italy, the Republic of Korea, and Switzerland: Antidumping Duty Orders; and Amended Final Determinations of Sales at Less Than Fair Value for the People's Republic of China and Switzerland,* 83 FR 26962 (June 11, 2018) (*Investigation Final Determination*); and *Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from India: Notice of Second Amended Final Determination; Notice of Amended Order; Notice of Resumption of First and Reinitiation of Second Antidumping Duty Administrative Reviews; Notice of Opportunity for Withdrawal; and Notice of Assessment in Third Antidumping Duty Administrative Review,* 86 FR 74069 (December 29, 2021) (*Second Amended Final Determination and Order*) (collectively, *Order*).

[2] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 89 FR 60871 (July 29, 2024).

[3] *See* Memorandum, ''Tolling of Deadlines for Antidumping and Countervailing Duty Proceedings,'' dated December 9, 2024.

[4] *See* Memorandum, ''Extension of Deadline for Preliminary Results of Antidumping Duty

events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.[5]

For a full description of the methodology underlying these preliminary results, *see* the Preliminary Decision Memorandum. A list of the topics discussed in the Preliminary Decision Memorandum is included as an appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at *https://access.trade.gov.* In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at *https://access.trade.gov/public/FRNoticesListLayout.aspx.*

Scope of the Order

The product covered by the scope of this *Order* is certain cold-drawn mechanical tubing from India. For a full description of the scope, *see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a) of the Act. We calculated export price in accordance with section 772(a) of the Act. We calculated NV in accordance with section 773 of the Act.

Preliminary Results of the Review

We preliminarily determine that the following estimated weighted-average dumping margins exist for the period June 1, 2023, through May 31, 2024:

Exporter/producer	Weighted-average dumping margin (percent)
Goodluck India Limited; Good Luck Industries; Goodluck Industries; Good Luck Steel Tubes Limited	0.00
Tube Products of India, Ltd., a unit of Tube Investments of India Limited	4.58

Disclosure

Commerce intends to disclose the calculations performed in connection with these preliminary results to interested parties within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this notice in the **Federal Register**, in accordance with 19 CFR 351.224(b).

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance.[6] Pursuant to 19 CFR 351.309(c)(1)(ii), we have modified the deadline for interested parties to submit case briefs to Commerce no later than 21 days after the date of the publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.[7] Interested parties who submit case or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue; and (2) a table of authorities.[8]

As provided under 19 CFR 351.309(c)(2) and (d)(2), in prior proceedings we have encouraged interested parties to provide an executive summary of their briefs that should be limited to five pages total, including footnotes. In this review, we instead request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.[9] Further, we request that interested parties limit their public executive summary of each issue to no more than 450 words, not including citations. We intend to use the executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final results in this administrative review. We request that interested parties include footnotes for relevant citations in the executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).[10]

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants, whether any participant is a foreign national; and (3) a list of the issues to be discussed. Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, parties will be notified of the time and date for the hearing.[11] Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date. All submissions, including case and rebuttal briefs, as well as hearing requests, should be filed via ACCESS.[12] An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time on the established deadline.

Assessment Rates

Upon completion of the final results of this administrative review, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries covered by this review. If a respondent's weighted-average dumping margin is not zero or *de minimis* (*i.e.,* less than 0.5 percent) in the final results of this review, we will calculate importer-specific assessment rates based on the ratio of the total amount of dumping calculated for the importer's examined sales to the total entered value of those same sales in accordance with 19 CFR 351.212(b)(1). If either respondent's weighted-average dumping margin is zero or *de minimis* in the final results of review, or if an importer-specific assessment rate is zero or *de minimis,* Commerce will instruct CBP to liquidate appropriate entries without regard to antidumping duties. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by this review, and for future deposits of estimated duties, where applicable.[13]

In accordance with Commerce's ''automatic assessment'' practice, for entries of subject merchandise during the POR produced by Goodluck or TII for which the company did not know that the merchandise was destined for the United States, we will instruct CBP to liquidate those entries at the all-others rate established in the original less-than-fair-value (LTFV) investigation

Administrative Review, 2023–2024,'' dated April 28, 2025.

[5] *See* Memorandum, ''Decision Memorandum for the Preliminary Results of the Administrative Review of the Antidumping Duty Order on Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from India; 2023–2024,'' dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

[6] *See* 19 CFR 351.309(c)(1)(ii); *see also* 19 CFR 351.303 (for general filing requirements).

[7] *See* 19 CFR 351.309(d); *see also Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings,* 88 FR 67069, 67077 (September 29, 2023) (*APO and Service Procedures*).

[8] *See* 19 CFR 351.309(c)(2) and (d)(2).

[9] We use the term ''issue'' here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

[10] *See Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings; Final Rule,* 88 FR 67069 (September 29, 2023).

[11] *See* 19 CFR 351.310(d).

[12] *See* 19 CFR 351.303.

[13] *See* section 751(a)(2)(C) of the Act.

(*i.e.,* 5.87 percent),[14] if there is no rate for the intermediate company(ies) involved in the transaction.[15]

Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the publication date of the final results of this review in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.,* within 90 days of publication).

Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for the companies listed in the final results of this review will be equal to the weighted-average dumping margins established in the final results of this review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; (2) for merchandise exported by a company not covered in this review, but covered in a prior segment of the proceeding, the cash deposit rate will be the company-specific rate published for the most recently-completed segment in which it was reviewed; (3) if the exporter is not a firm covered in this review or in the original LTFV investigation, but the producer is, then the cash deposit rate will be the rate established for the most recently-completed segment of this proceeding for the producer of the merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 5.87 percent, the all-others rate established in the LTFV investigation as adjusted for the export-subsidy rate in the companion countervailing duty investigation.[16] These cash deposit requirements, when imposed, shall remain in effect until further notice.

Final Results of Review

Unless otherwise extended, Commerce intends to issue the final results of this administrative review, including the results of its analysis of the issues raised in any written briefs, not later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(1).

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping and/or countervailing duties prior to liquidation of the relevant entries during the POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping and/or countervailing duties occurred and the subsequent assessment of double antidumping duties, and/or an increase in the amount of antidumping duties by the amount of the countervailing duties.

Notification to Interested Parties

Commerce is issuing and publishing these preliminary results in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213(h)(2) and 351.221(b)(4).

Dated: September 29, 2025.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

I. Summary
II. Background
III. Scope of the Order
IV. Discussion of the Methodology
V. Currency Conversion
VI. Recommendation

[FR Doc. 2025–19413 Filed 10–2–25; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[C–533–884]

Glycine From India: Preliminary Results and Partial Rescission of Countervailing Duty Administrative Review; 2023

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that countervailable subsidies were provided to producers and exporters of glycine from India, during the period of review January 1, 2023, through December 31, 2023. In addition, Commerce is rescinding this review, in part. Interested parties are invited to comment on these preliminary results.

DATES: Applicable October 3, 2025.

FOR FURTHER INFORMATION CONTACT: Amber Hodak or Preston Cox, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–8034 respectively.

Background

On June 21, 2019, Commerce published in the **Federal Register** the countervailing duty (CVD) order on glycine from India.[1] On June 3, 2024, Commerce published the notice of the opportunity to request a review of the *Order*.[2] On July 29, 2024, based on timely requests for review, Commerce published the notice of initiation of this administrative review.[3] On December 9, 2024, Commerce tolled certain deadlines in this administrative proceeding by 90 days.[4] On April 28, 2025, Commerce extended the time period for issuing these preliminary results, in accordance with section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), to September 29, 2025.[5]

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.[6] A list of topics included in the Preliminary Decision Memorandum is provided as an appendix to this notice. The Preliminary

[14] *See Investigation Final Determination,* 83 FR at 26965, unchanged in *Second Amended Final Determination and Order.*

[15] For a full discussion of this practice, *see Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties,* 68 FR 23954 (May 6, 2003).

[16] *See Investigation Final Determination,* 83 FR at 26965, unchanged in *Second Amended Final Determination and Order.*

[1] *See Glycine from India and the People's Republic of China: Countervailing Duty Orders,* 84 FR 29173 (June 21, 2019) (*Order*).

[2] *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review and Join Annual Inquiry Service List,* 89 FR 47518 (June 3, 2024).

[3] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 89 FR 60871, 60876–60877 (July 29, 2024) (*Initiation Notice*).

[4] *See* Memorandum, ''Tolling Deadlines for Antidumping and Countervailing Duty Proceedings,'' dated December 9, 2024.

[5] *See* Memorandum, ''Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review,'' dated April 28, 2025.

[6] *See* Memorandum, ''Decision Memorandum for the Preliminary Results of the Administrative Review of the Countervailing Duty Order on Glycine from India; 2023,'' dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at *https://access.trade.gov.* In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at *https://access.trade.gov/public/FRNoticesListLayout.aspx.*

Scope of the Order

The merchandise covered by the *Order* is glycine from India. For a complete description of the scope of the *Order, see* the Preliminary Decision Memorandum.[7]

Rescission of Administrative Review, in Part

In accordance with 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if all parties that requested the review withdraw their requests within 90 days of the date of publication of the notice of initiation of the requested review. On October 25, 2024, Deer Park Glycine, LCC (the petitioner) withdrew its request for review of 21 companies within the 90-day deadline, pursuant to 19 CFR 351.213(d)(1).[8] For each of the 17 companies for which all requests for review were timely withdrawn and which are not cross-owned with a mandatory respondent,[9] we are rescinding this review, in part, with respect to these companies, pursuant to 19 CFR 351.213(d)(1). For a list of these companies, *see* Appendix II.

Methodology

Commerce is conducting this administrative review in accordance with 751(a)(1)(A) of the Act. For each of the subsidy programs found countervailable, Commerce preliminarily determines that there is a subsidy, *i.e.,* a financial contribution by an ''authority'' that gives rise to a benefit to the recipient, and that the subsidy is specific.[10] For a full description of the methodology underlying our conclusions, including our reliance, in part, on facts otherwise available with adverse inferences pursuant to sections 776(a) and (b) of the Act, *see* the Preliminary Decision Memorandum.

Companies Not Selected for Individual Review

The Act and Commerce's regulations do not address the establishment of a rate to apply companies not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation. Section 777A(e)(2) of the Act provides that ''the individual countervailable subsidy rates determined under subparagraph (A) shall be used to determine the all-others rate under section 705(c)(5) {of the Act}.'' Section 705(c)(5)(A) states that for companies not investigated, in general, we will determine an all-others rate by weight averaging the countervailable subsidy rates established for each of the companies individually investigated, excluding zero and *de minimis* rates or any rates based solely on facts available.

Accordingly, to determine the rate for companies not selected for individual examination, Commerce's practice is to weight average the net subsidy rates for the selected mandatory respondents, excluding rates that are zero, *de minimis,* or based entirely on facts available.[11] In this administrative review, Commerce calculated a preliminary individual estimated countervailable subsidy rate for Kumar the only individually examined exporter/producer in this review. Because the only individually calculated subsidy rate is not zero, *de minimis,* or based entirely on facts otherwise available, the subsidy rate calculated for Kumar is the rate assigned to the company under review that was not selected for individual examination (*i.e.,* Bajaj), pursuant to section 705(c)(5)(A)(i) of the Act.[12]

Preliminary Results of Review

Commerce preliminarily determines that the following net countervailable subsidy rates exist for the period, January 1, 2023, through December 31, 2023:[13]

Company	Subsidy rate (percent *ad valorem*)
Kumar Industries, India	9.41
Bajaj Healthcare Limited	9.41

Disclosure

Commerce intends to disclose its calculations and analysis performed to interested parties for these preliminary results within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Verification

Commerce received a timely request from the petitioner to verify the information submitted in this administrative review, pursuant to 19 CFR 307(b)(1)(iv).[14] As provided in section 782(i)(3) of the Act, Commerce intends to verify the information relied upon in making its final results.

Public Comment

Pursuant to 19 CFR 351.309(c), interested parties may submit case briefs to Commerce no later than seven days after the date of the last verification report issued in this administrative review. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.[15] Interested parties who submit case briefs or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue; and (2) a table of authorities.[16] All briefs must be filed electronically using ACCESS. An electronically filed document must be received successfully

[7] *Id.*

[8] *See* Memorandum, ''Notice of Intent to Rescind Review, in Part,'' dated November 15, 2024.

[9] Bajaj Healthcare Limited (Bajaj) requested a review of itself that was not withdrawn, and Reliance Corporation, Rexisize Rasayan Industries, and Rudraa International are cross-owned with mandatory respondent Kumar Industries, India (Kumar). Therefore, these companies remain under review.

[10] *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

[11] *See, e.g., Certain Pasta from Italy: Final Results of the 13th (2008) Countervailing Duty Administrative Review,* 75 FR 37386, 37387 (June 29, 2010).

[12] Bajaj is the only company that will be assigned the subsidy rate calculated for companies under review that were not selected for individual examination. *See* Memorandum, ''Correction of Notice of Intent to Rescind Review, in Part,'' dated August 21, 2025.

[13] Commerce continues to determine that Advance Chemical Corporation, Rexisize Rasayan Industries, Reliance Corporation, and Rudraa International are cross-owned with Kumar Industries, India. *See* Preliminary Decision Memorandum at 16–17; *see also Glycine from India: Final Results of the Countervailing Duty Administrative Review; 2022,* 89 FR 95180 (December 2, 2024); and *Glycine from India: Preliminary Results of Countervailing Duty Administrative Review; 2018–2019,* 86 FR 37738 (July 16, 2021).

[14] *See* Petitioner's Letter, ''Verification Request,'' dated October 11, 2024.

[15] *See* 19 CFR 351.309(d); *see also Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings,* 88 FR 67069, 67077 (September 29, 2023) (*APO and Service Procedures*).

[16] *See* 19 CFR 351.309(c)(2) and (d)(2).

in its entirety in ACCESS by 5:00 p.m. Eastern Time on the established deadline.

As provided under 19 CFR 351.309(c)(2) and (d)(2), in prior proceedings we have encouraged interested parties to provide an executive summary of their briefs that should be limited to five pages total, including footnotes. In this review, we instead request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.[17] Further, we request that interested parties limit their executive summary of each issue to no more than 450 words, not including citations. We intend to use the executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final results in this administrative review. We request that interested parties include footnotes for relevant citations in the executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).[18]

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS by 5:00 p.m. Eastern Time within 30 days after the date of publication of this notice. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants and whether any participants are foreign nationals; and (3) a list of issues to be discussed. Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, Commerce will inform parties of the scheduled date for the hearing.[19]

Assessment Rates

Consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), upon issuance of the final results, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review.

For the companies listed in Appendix II for which the review is being rescinded, Commerce will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2023, through December 31, 2023, in accordance with 19 CFR 351.212(c)(1)(i). Commerce intends to issue rescission instructions to CBP no earlier than 35 days after the date of publication of this notice in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.,* within 90 days of publication).

Cash Deposit Rates

Pursuant to section 751(a)(2)(C) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amount indicated above with regard to shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit instructions, when imposed, shall remain in effect until further notice.

Final Results

Unless the deadline is extended, we intend to issue the final results of this administrative review, which will include our analysis of the issues raised in the case briefs, within 120 days after the date of publication of these preliminary results in the **Federal Register**, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

Notification to Interested Parties

These preliminary results are issued and published pursuant to sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(4).

Dated: September 29, 2025.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

I. Summary
II. Background
III. Scope of the *Order*
IV. Use of Facts Otherwise Available and Application of Adverse Inferences
V. Subsidies Valuation
VI. Benchmarks and Interest Rates
VII. Analysis of Programs
VIII. Recommendation

Appendix II

Companies for Which Commerce Is Rescinding the Administrative Review

1. Aditya Chemicals
2. Avid Organics Pvt. Ltd.
3. Eagle Chemical Works
4. Euroasias Ingredients Pvt., Ltd.
5. Euroasias Organics Pvt., Ltd.
6. Euroasia Trans Continental
7. Elementis Specialties India Pvt., Ltd.
8. Gulbrandsen Technologies (India) Pvt. Ltd.
9. Global Merchants
10. J.R. Corporation
11. Lucas TVs Ltd.
12. Kronox Lab Sciences Pvt., Ltd.
13. Medilane Healthcare Pvt., Ltd.
14. Natural and Essential Oils Pvt., Ltd.
15. Paras Intermediates Pvt., Ltd.
16. Shari Pharmachem Pvt. Ltd.,
17. Tarkesh Trading Co.

[FR Doc. 2025–19414 Filed 10–2–25; 8:45 am]

BILLING CODE 3510–DS–P

[17] We use the term ''issue'' here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

[18] *See APO and Service Procedures.*

[19] *See* 19 CFR 351.310(d).

DEPARTMENT OF COMMERCE

International Trade Administration

[A–469–821]

Prestressed Concrete Steel Wire Strand From Spain: Preliminary Results of Antidumping Duty Administrative Review; 2023–2024

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that the producer/exporter subject to this administrative review made sales of subject merchandise at less than normal value (NV) during the period of review (POR), June 1, 2023, through May 31, 2024. We invite interested parties to comment on these preliminary results.

DATES: Applicable October 3, 2025.

FOR FURTHER INFORMATION CONTACT: Lilit Astvatsatrian, AD/CVD Operations, Office IX, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–6412.

SUPPLEMENTARY INFORMATION:

Background

On June 4, 2021, Commerce published the antidumping duty order on prestressed concrete steel wire strand (PC strand) from Spain in the **Federal Register**.[1] On July 29, 2024, based on

[1] *See Prestressed Concrete Steel Wire Strand from Indonesia, Italy, Malaysia, South Africa, Spain,*

timely requests for review from the petitioners [2] and Global Special Steel Products S.A.U. (d.b.a. Trenzas y Cables de Acero PSC, S.L.) (TYCSA),[3] we initiated an administrative review of the *Order* with respect to one company, TYCSA.[4]

On December 9, 2024, Commerce tolled certain deadlines in this administrative proceeding by 90 days.[5] On May 22, 2025, we extended the deadline for the preliminary results of this administrative review to no later than August 27, 2025,[6] and on August 14, 2025, we extended the deadline for the preliminary results of this administrative review to no later than September 26, 2025.[7] For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.[8]

A list of topics discussed in the Preliminary Decision Memorandum is attached as an appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at *https://access.trade.gov.* In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at *https://access.trade/gov/public/FRNoticesListLayout.aspx.*

Scope of the Order

The product subject to the *Order* is PC strand from Spain. For a full description of the scope of the *Order, see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). We calculated export price and constructed export price in accordance with section 772 of the Act. We calculated NV in accordance with section 773 of the Act. For a full description of the methodology underlying these preliminary results, *see* the Preliminary Decision Memorandum.

Preliminary Results of the Review

As a result of this review, we preliminarily determine the following estimated weighted-average dumping margin exists for the period June 1, 2023, through May 31, 2024:

Producer or exporter	Weighted-average dumping margin (percent)
Global Special Steel Products S.A.U. (d.b.a. Trenzas y Cables de Acero PSC, S.L.)	13.14

Disclosure

Commerce intends to disclose to interested parties its calculations performed in these preliminary results, within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this notice in the **Federal Register**, in accordance with 19 CFR 351.224(b).

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance.[9] Pursuant to 19 CFR 351.309(c)(1)(ii), we have modified the deadline for interested parties to submit case briefs to Commerce no later than 21 days after the date of the publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.[10] Interested parties who submit case briefs or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue; and (2) a table of authorities.[11]

As provided under 19 CFR 351.309(c)(2) and (d)(2), in prior proceedings we have encouraged interested parties to provide an executive summary of their brief that should be limited to five pages total, including footnotes. In this review, we instead request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.[12] Further, we request that interested parties limit their executive summary of each issue to no more than 450 words, not including citations. We intend to use the executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final results in this administrative review. We request that interested parties include footnotes for relevant citations in the executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).[13]

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case briefs. An electronically filed hearing request must be received successfully in its entirety by Commerce's electronic records system, ACCESS, by 5 p.m. Eastern Time within 30 days after the date of publication of this notice.

Final Results of Review

Unless otherwise extended, Commerce intends to issue the final results of this administrative review,

Tunisia, and Ukraine: Antidumping Duty Orders, 86 FR 29998 (June 4, 2021) (*Order*).

[2] The petitioners are Insteel Wire Products Company, Sumiden Wire Products Corporation, and Wire Mesh Corporation.

[3] *See* Petitioners' Letter, ''Petitioners' Request for Initiation of 2023–2024 Administrative Review,'' dated June 27, 2024; *See* TYCSA's Letter, ''Request for Antidumping Duty Administrative Review,'' dated June 28, 2024.

[4] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 89 FR 60871 (July 29, 2024).

[5] *See* Memorandum, ''Tolling of Deadlines for Antidumping and Countervailing Duty Proceedings,'' dated December 9, 2024.

[6] *See* Memorandum, ''Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review,'' dated May 22, 2025.

[7] *See* Memorandum, ''Extension of Deadline for Preliminary Results of 2023–2024 Antidumping Duty Administrative Review,'' dated August 14, 2025.

[8] *See* Memorandum, ''Decision Memorandum for the Preliminary Results of the 2023–2024 Administrative Review of the Antidumping Duty Order on Prestressed Concrete Steel Wire Strand from Spain,'' dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

[9] *See* 19 CFR 351.309(c)(1)(ii); *see also* 19 CFR 351.303 (for general filing requirements).

[10] *See* 19 CFR 351.309(d); *see also Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings,* 88 FR 67069, 67077 (September 29, 2023) (*APO and Service Procedures*).

[11] *See* 19 CFR 351.309(c)(2) and (d)(2).

[12] We use the term ''issue'' here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

[13] *See APO and Service Final Rule.*

including the results of its analysis of the issues raised in any written briefs, no later than 120 days after the date of publication of this notice in the **Federal Register**, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(1).

Assessment Rates

Upon completion of this administrative review, pursuant to section 751(a)(2)(A) of the Act, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries covered by this review.

Pursuant to 19 CFR 351.212(b)(1), we calculated importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the examined sales to the total entered value of those sales. Where either the respondent's weighted-average dumping margin is zero or *de minimis* within the meaning of 19 CFR 351.106(c)(1), or an importer specific assessment rate is zero or *de minimis,* we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by this review and for future deposits of estimated duties, where applicable.[14]

In accordance with Commerce's ''automatic assessment'' practice, for entries of subject merchandise during the POR produced by TYCSA for which the company did not know that the merchandise was destined for the United States, we will instruct CBP to liquidate those entries at the all-others rate established in the less-than-fair-value (LTFV) investigation (*i.e.,* 14.75 percent),[15] if there is no rate for the intermediate company(ies) involved in the transaction.[16]

Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.,* within 90 days of publication).

Cash Deposit Requirements

The following deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for the company listed above will be equal to the weighted average dumping margin established in the final results of this administrative review, except if the rate is less than 0.50 percent and therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; (2) for previously reviewed or investigated companies not covered in this review, the cash deposit rate will continue to be the company-specific rate published for the most recently-completed segment of this proceeding in which the company was reviewed; (3) if the exporter is not a firm covered in this review, a prior review, or the LTFV investigation, but the producer is, then the cash deposit rate will be the rate established for the most recently-completed segment of this proceeding for the producer of the merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 14.75 percent, the all-others rate established in the LTFV investigation.[17] These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping and/or countervailing duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of doubled antidumping duties.

Notification to Interested Parties

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213(h)(2) and 351.221(b)(4).

Dated: September 26, 2025.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

I. Summary
II. Background
III. Scope of the *Order*
IV. Discussion of the Methodology
V. Recommendation

[FR Doc. 2025–19408 Filed 10–2–25; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–898]

Chlorinated Isocyanurates From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2023–2024

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that chlorinated isocyanurates (chlorinated isos) from the People's Republic of China (China) were sold in the United States at less than normal value during the period of review (POR) June 1, 2023, through May 31, 2024. Interested parties are invited to comment on these preliminary results.

DATES: Applicable October 3, 2025.

FOR FURTHER INFORMATION CONTACT: Brian Warnes, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–0028.

SUPPLEMENTARY INFORMATION:

Background

On July 29, 2024, pursuant to section 751(a)(1) of the Tariff Act of 1930, as amended (the Act), Commerce initiated the administrative review of the antidumping duty (AD) order on chlorinated isos from China covering the period June 1, 2023, through May 31, 2024.[1] The review covers two producers/exporters: Heze Huayi Chemical Co., Ltd. (Heze Huayi) and

[14] *See* section 751(a)(2)(C) of the Act.

[15] *See Order.*

[16] For a full description of this practice, *see Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties,* 68 FR 23954 (May 6, 2003).

[17] *See Order.*

[1] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 89 FR 60871 (July 29, 2024).

Juancheng Kangtai Chemical Co., Ltd. (Kangtai). On December 9, 2024, Commerce tolled administrative deadlines in this review by an additional 90 days.[2] On April 30, 2025, Commerce extended the deadline for the preliminary results of this administrative review by 120 days, until September 29, 2025.[3]

For details regarding the events that occurred subsequent to the initiation of this review, *see* the Preliminary Decision Memorandum.[4] A list of topics discussed in the Preliminary Decision Memorandum is included as the appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at *https://access.trade.gov.* In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at *https://access.trade.gov/public/FRNoticesListLayout.aspx.*

Scope of the Order

The products covered by the *Order* are chlorinated isos, which are derivatives of cyanuric acid, described as chlorinated s-triazine triones. Chlorinated isos are currently classifiable under subheadings 2933.69.6015, 2933.69.6021, 2933.69.6050, 3808.40.50, 3808.50.40 and 3808.94.5000 of the Harmonized Tariff Schedule of the United States. For a complete description of the scope of the *Order, see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). Export prices have been calculated in accordance with section 772 of the Act. Because China is a non-market economy within the meaning of section 771(18) of the Act, normal value has been calculated in accordance with section 773(c) of the Act. For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

Separate Rates

In the *Initiation Notice,* we informed parties that firms for which the review was initiated that wished to qualify for separate rate status must complete, as appropriate, either a separate rate application or a separate rate certification.[5] Commerce preliminarily determines that Heze Huayi and Kangtai are eligible to receive a separate rate in this review. For further discussion, *see* the Preliminary Decision Memorandum.

The China-Wide Entity

Commerce's policy regarding conditional review of the China-wide entity applies to this administrative review.[6] Under this policy, the China-wide entity will not be under review unless a party specifically requests, or Commerce self-initiates, a review of the entity. Because no party requested a review of the China-wide entity, the entity is not under review, and the entity's rate (*i.e.,* 285.63 percent) is not subject to change.[7]

Preliminary Results of Review

As stated above, Commerce preliminarily determines that Heze Huayi and Kangtai have established their eligibility for a separate rate, and that the following weighted-average dumping margins exist for the period of June 1, 2023, through May 31, 2024:

Exporter	Weighted-average dumping margin (percent)
Heze Huayi Chemical Co. Ltd	18.39
Juancheng Kangtai Chemical Co. Ltd	4.77

Disclosure

Commerce intends to disclose the calculations performed in connection with these preliminary results to interested parties within five days after the date of publication of this notice, or, if there is no public announcement, within five days of the date of publication of this notice in the **Federal Register**, in accordance with 19 CFR 351.224(b).

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. Pursuant to 19 CFR 351.309(c)(1)(ii), we have modified the deadline for interested parties to submit case briefs to no later than 21 days after the date of the publication of this notice.[8] Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.[9] Interested parties who submit case briefs or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue; and (2) a table of authorities.[10] All briefs must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety in ACCESS by 5:00 p.m. Eastern Time on the established deadline.

As provided under 19 CFR 351.309(c)(2) and (d)(2), in prior proceedings we have encouraged interested parties to provide an executive summary of their briefs that should be limited to five pages total, including footnotes. In this review, we instead request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.[11] Further, we request that interested parties limit their public executive summary of each issue to no more than 450 words, not including citations. We intend to use the public executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final results in this administrative review. We request that interested parties include footnotes for relevant citations in the public executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).[12]

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the

[2] *See* Memorandum, ''Tolling of Deadlines for Antidumping and Countervailing Duty Proceedings,'' dated December 9, 2024.

[3] *See* Memorandum, ''Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review, 2023–2024,'' dated April 30, 2025.

[4] *See* Memorandum, ''Decision Memorandum for the Preliminary Results of the Administrative Review of the Antidumping Duty Order on Chlorinated Isocyanurates from the People's Republic of China; 2023–2024,'' dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

[5] *See Initiation Notice,* 89 FR at 60872–60873.

[6] *See Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings,* 78 FR 65963 (November 4, 2013).

[7] *See Notice of Final Determination of Sales at Less Than Fair Value: Chlorinated Isocyanurates from the People's Republic of China,* 70 FR 24502, 24505 (May 10, 2005).

[8] *See* 19 CFR 351.309.

[9] *See* 19 CFR 351.309(d).

[10] *See* 19 351.309(c)(2) and (d)(2).

[11] We use the term ''issue'' here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

[12] *See APO and Service Final Rule.*

publication of this notice. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants, and whether any participant is a foreign national; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case briefs. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date. An electronically filed hearing request must be received successfully in its entirety by Commerce's electronic records system, ACCESS, by 5:00 p.m. Eastern Time within 30 days after the date of publication of this notice.

Assessment Rates

Upon issuing the final results of this review, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries covered by this review.[13] Commerce intends to issue assessment instructions to CBP no earlier than 35 days after date of publication of the final results of this review in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.,* within 90 days of publication).

For each individually examined respondent in this review whose weighted-average dumping margin in the final results of review is not zero or *de minimis* (*i.e.,* less than 0.5 percent), Commerce intends to calculate importer-specific assessment rates for antidumping duties, in accordance with 19 CFR 351.212(b)(1).[14] Where the respondent reported reliable entered values, Commerce intends to calculate importer-specific *ad valorem* assessment rates by aggregating the amount of dumping calculated for all U.S. sales to the importer and dividing this amount by the total entered value of the merchandise sold to the importer.[15] Where the respondent did not report entered values, Commerce will calculate importer-specific assessment rates by dividing the amount of dumping for reviewed sales to the importer by the total quantity of those sales. Commerce will calculate an estimated *ad valorem* importer-specific assessment rate to determine whether the per-unit assessment rate is *de minimis;* however, Commerce will use the per-unit assessment rate where entered values were not reported.[16] Where an importer-specific *ad valorem* assessment rate is not zero or *de minimis,* Commerce will instruct CBP to collect the appropriate duties at the time of liquidation. Where either the respondent's weighted average dumping margin is zero or *de minimis,* or an importer-specific *ad valorem* assessment rate is zero or *de minimis,* Commerce will instruct CBP to liquidate appropriate entries without regard to antidumping duties.[17] For entries that were not reported in the U.S. sales database submitted by an exporter individually examined during this review, but that entered under the case number of that exporter (*i.e.,* at the individually-examined exporter's cash deposit rate), Commerce will instruct CBP to liquidate such entries at the China-wide rate.[18]

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise from China entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(C) of the Act: (1) for the exporters listed above that have a separate rate, the cash deposit rate will be equal to the weighted-average dumping margin established in the final results of this review (except, if the rate is zero or *de minimis* within the meaning of 19 CFR 351.106(c)(1), then a cash deposit rate of zero will be established for that company); (2) for previously investigated or reviewed Chinese and non-Chinese exporters not listed above that received a separate rate in a prior segment of this proceeding, the cash deposit rate will continue to be the existing exporter-specific rate; (3) for all Chinese exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the cash deposit rate established for the China-wide entity (*i.e.,* 285.63 percent); and (4) for all non-Chinese exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the Chinese exporter that supplied that non-Chinese exporter. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Final Results of Review

Unless extended, we intend to issue the final results of this administrative review, which will include the results of our analysis of issues raised in the case and rebuttal briefs, within 120 days of the date of publication of this notice in the **Federal Register**.[19]

Notification to Importers

This notice also serves as a reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping and/or countervailing duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping and/or countervailing duties occurred and the subsequent assessment of double antidumping duties, and/or an increase in the amount of antidumping duties by the amount of the countervailing duties.

Notification to Interested Parties

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213 and 19 CFR 351.221(b)(4).

Dated: September 29, 2025.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

I. Summary
II. Background
III. Scope of the *Order*
IV. Discussion of the Methodology
V. Currency Conversion
VI. Recommendation

[FR Doc. 2025–19416 Filed 10–2–25; 8:45 am]

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[13] *See* 19 CFR 351.212(b)(1).

[14] *See Antidumping Proceedings: Calculation of the Weighted Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification,* 77 FR 8101 (February 14, 2012) (*Final Modification*).

[15] *See* 19 CFR 351.212(b)(1).

[16] *Id.*

[17] *See Final Modification,* 77 FR at 8103.

[18] For a full discussion of this practice, *see Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties,* 76 FR 65694 (October 24, 2011).

[19] *See* section 751(a)(3)(A) of the Act; *see also* 19 CFR 351.213(h)(1).

DEPARTMENT OF COMMERCE

International Trade Administration

[A–357–823]

Raw Honey From Argentina: Preliminary Results and Rescission, In Part, of Antidumping Duty Administrative Review; 2023–2024

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that Asociación De Cooperativas Argentinas Cooperativa Limitada (ACA), NEXCO S.A. (NEXCO), and certain companies not selected for individual examination for which a review was requested made sales of raw honey from at less than normal value (NV) during the period of review (POR), June 1, 2023, through May 31, 2024. We are also rescinding this review, in part, with respect to eight companies that had no suspended entries. We invite interested parties to comment on these preliminary results.

DATES: Applicable October 3, 2025.

FOR FURTHER INFORMATION CONTACT: Thomas Martin or Zachary Shaykin, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–3936 or (202) 482–2638, respectively.

SUPPLEMENTARY INFORMATION:

Background

On June 10, 2022, Commerce published in the **Federal Register** the antidumping duty (AD) order on raw honey from Argentina.[1] On July 29, 2024, Commerce initiated an administrative review of the *Order* covering 28 companies, in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act).[2] On December 9, 2024, Commerce tolled certain deadlines in this administrative review by 90 days.[3] On May 13, 2025, we extended the deadline to issue the preliminary results to September 26, 2025.[4] On September 24, 2025, we extended the deadline for the preliminary results of this review to September 29, 2025.[5] For details regarding the events that occurred subsequent to the initiation of this review, *see* the Preliminary Decision Memorandum.[6] A list of topics discussed in the Preliminary Decision Memorandum is included in Appendix I to this notice.

The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at *https://access.trade.gov.* In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at *https://access.trade.gov/public/FRNoticesListLayout.aspx.*

Scope of the Order

The merchandise covered by the *Order* is raw honey from Argentina. For a complete description of the scope of the *Order, see* the Preliminary Decision Memorandum.

Rescission, in Part, of Administrative Review

Pursuant to 19 CFR 351.213(d)(3), Commerce will rescind an administrative review when there are no entries of subject merchandise during the POR for which liquidation is suspended.[7] Normally, upon completion of an administrative review, the suspended entries are liquidated at the AD assessment rate calculated for the review period.[8] Therefore, for an administrative review of a company to be conducted, there must be a suspended entry that Commerce can instruct and U.S. Customs and Border Protection (CBP) to liquidate at the AD assessment rate calculated for the POR.[9]

On September 10, 2025, we notified parties of our intent to rescind this administrative review, in part, with respect to the eight companies listed in Appendix II because there were no suspended entries of subject merchandise produced or exported by these companies during the POR. We invited interested parties to comment.[10] No parties commented on our intent to rescind the review, in part. In the absence of suspended entries of subject merchandise from these companies during the POR, we are rescinding, in part, the administrative review for the eight companies listed in Appendix II, in accordance with 19 CFR 351.213(d)(3).

Methodology

Commerce is conducting this review in accordance with sections 751(a)(1) and (2) of the Act. We calculated constructed export price for both mandatory respondents in accordance with section 772(b) of the Act. We calculated NV in accordance with section 773 of the Act. For a full description of the methodology underlying these preliminary results, *see* the Preliminary Decision Memorandum.

Rate for Non-Examined Companies

The statute and Commerce's regulations do not address the establishment of a rate to be applied to companies not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in a less-than-fair-value investigation, for guidance when calculating the weighted-average dumping margin for companies which were not selected for individual examination in an administrative review.

Under section 735(c)(5)(A) of the Act, the all-others rate is normally ''an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero or *de minimis* margins, and any margins determined entirely on the basis of facts available.''

In this review, we calculated weighted-average dumping margin for ACA and NEXCO that are not zero, *de minimis,* or determined entirely on the basis of facts available. Therefore, Commerce assigned a weighted-average dumping margin to the non-examined companies based on a weighted-average using publicly ranged sales data and the weighted average dumping margins

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[1] *See Raw Honey from Argentina, Brazil, India, and the Socialist Republic of Vietnam: Antidumping Duty Orders,* 87 FR 35501 (June 10, 2022) (*Order*).

[2] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 90 FR 60871 (July 29, 2024) (*Initiation Notice*).

[3] *See* Memorandum, ''Tolling of Deadlines for Antidumping and Countervailing Duty Proceedings'', dated December 9, 2024.

[4] *See* Memorandum, ''Raw Honey from Argentina: Extension of Deadline for the Preliminary Results of Antidumping Duty Administrative'' (May 13, 2025).

[5] *See* Memorandum, ''Raw Honey from Argentina: Extension of Deadline for the Preliminary Results of Antidumping Duty Administrative'' (September 24, 2025).

[6] *See* Memorandum, ''Decision Memorandum for the Preliminary Results of the Antidumping Duty Administrative Review of Raw Honey from Argentina; 2023–2024,'' dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

[7] *See, e.g., Large Diameter Welded Pipe from Greece: Rescission of Antidumping Duty Administrative Review; 2022–2023,* 89 FR 4274 (January 23, 2024).

[8] *See* 19 CFR 351.212(b)(2).

[9] *See* 19 CFR 351.213(d)(3).

[10] *See* Memorandum, ''Notice of Intent to Rescind Review, In Part,'' dated September 11, 2025.

preliminarily calculated for the two mandatory respondents, as listed below.[11]

Preliminary Results of the Review

We preliminarily determine that the following estimated weighted-average dumping margins exist for the period of June 1, 2023, through May 31, 2024:

Producer or exporter	Weighted-average dumping margin (percent)
Asociación De Cooperativas Argentinas Cooperativa Limitada	31.52
NEXCO S.A	1.22
Review-Specific Rate for Non-Examined Companies[12]	4.33

Disclosure

Commerce intends to disclose its calculations and analysis performed for these preliminary results within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. Pursuant to 19 CFR 351.309(c)(1)(ii), we have modified the deadline for interested parties to submit case briefs to Commerce to not later than 21 days after the date of the publication of this notice.[13] Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than five days after the date for filing case briefs.[14] Interested parties who submit case briefs or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue addressed; and (2) a table of authorities.[15]

As provided under 19 CFR 351.309(c)(2) and (d)(2), in prior proceedings, we have encouraged interested parties to provide an executive summary of their brief that should be limited to five pages total, including footnotes. In this review, we instead request that interested parties provide, at the beginning of their briefs, a public executive summary for each issue raised in their briefs.[16] Further, we request that interested parties limit their public executive summary of each issue to no more than 450 words, not including citations. We intend to use the public executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final results in this administrative review. We request that interested parties include footnotes for relevant citations in the public executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).[17]

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice. Requests should contain: (1) party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, parties will be notified of the time and date for the hearing.[18]

Assessment Rates

Upon completion of this administrative review, Commerce shall determine, and CBP shall assess, antidumping duties on all appropriate entries. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by this review and for future deposits of estimated antidumping duties.[19] Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.,* within 90 days of publication).

For an individually examined respondent whose weighted-average dumping margin is not zero or *de* minimis (*i.e.,* less than 0.50 percent), upon completion of the final results, Commerce intends to calculate importer-specific AD assessment rates on the basis of the ratio of the total amount of dumping calculated for each importer's examined sales to the total entered value of those sales. Pursuant to 19 CFR 351.212(b)(1), neither ACA nor NEXCO reported actual entered value for all its U.S. sales; in such instances, we calculated importer-specific per-unit duty assessment rates by aggregating the importer's amount of dumping calculated for the examined sales and dividing this amount by the total quantity of those sales. To consider whether the importer-specific assessment rate is *de minimis* we estimated the enter value for each U.S. sale and calculated an estimated *ad valorem* importer-specific assessment rate as the importer's aggregated amount of dumping divided by the estimated entry value of those sales. Where either a respondent's weighted-average dumping margin is zero or *de minimis,* or an importer-specific estimated *ad valorem* assessment rate is zero or *de minimis,* we intend to instruct CBP to liquidate appropriate entries without regard to antidumping duties.[20]

Commerce's ''automatic assessment'' practice will apply to entries of subject merchandise during the POR produced by ACA or NEXCO for which it did not know that the merchandise it sold to an intermediary (*e.g.,* a reseller, trading company, or exporter) was destined for the United States. In such instances, we will instruct CBP to liquidate those entries at the all-others rate (*i.e.,* 16.92

[11] *See* Memorandum, ''Administrative Review of Raw Honey from Argentina; 2023–2024: Calculation of the Preliminary Margin for Respondents Not Selected for Individual Examination,'' dated concurrently with, and hereby adopted by, this memorandum.

[12] *See* Appendix III.

[13] *See* 19 CFR 351.309.

[14] *See* 19 CFR 351.309(d); *see also Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings,* 88 FR 67069, 67077 (September 29, 2023) (*APO and Service Final Rule*).

[15] *See* 19 CFR 351.309(c)(2) and (d)(2).

[16] We use the term ''issue'' here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

[17] *See APO and Service Procedures.*

[18] *See* 19 CFR 351.310(d).

[19] *See* section 751(a)(2)(C) of the Act.

[20] *See* 19 CFR 351.106(c)(2); *see also Antidumping Proceeding: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings; Final Modification,* 77 FR 8101, 8103 (February 14, 2012).

percent)[21] if there is no rate for the intermediate company(ies) involved in the transaction.[22]

For the companies that were not selected for individual examination, the antidumping duty assessment rate will be equal to the weighted-average dumping margin calculated for each companies in the final results of this review.

For the companies listed in Appendix II for which we are rescinding this review, we intend to instruct CBP to assess antidumping duties on all appropriate entries at a rate equal to the cash deposit of estimated antidumping duties required at the time of entry, or withdrawal from warehouse, in accordance with 19 CFR 351.212(c)(l)(i).

Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) for subject merchandise exported by one of the companies listed above, the cash deposit rate will be equal to the weighted- average dumping margin established for that exporter in the final results of this review, except if the rate is *de minimis* (*i.e.,* less than 0.50 percent), in which case the cash deposit rate will be zero; (2) for an exporter of subject merchandise previously reviewed or investigated companies not covered by this review, the cash deposit rate will continue to be equal to the company-specific rate published for the most recently-completed segment of this proceeding in which they were examined; (3) if the exporter is not a firm covered in this review, a prior review, or the LTFV investigation, but the producer is, the cash deposit rate will be equal to the rate established for the most recently-completed segment of this proceeding for the producer of the merchandise; and (4) the cash deposit rate for all other producers and exporters will continue to be 16.92 percent, the all- others rate established in the *Amended Final Determination*.[23] These cash deposit requirements, when imposed, shall remain in effect until further notice.

Final Results of Review

Unless otherwise extended, Commerce intends to issue the final results of this administrative review including the results of its analysis of issues raised in written briefs, no later than 120 days after the date of publication of this notice in the **Federal Register**, pursuant to 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(1).

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act, 19 CFR 351.213, and 19 351.221(b)(4).

Dated: September 29, 2025.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

I. Summary
II. Background
III. Scope of the *Order*
IV. Rescission of Review, In Part
V. Discussion of the Methodology
VI. Currency Conversion
VII. Recommendation

Appendix II

Companies for Which Commerce Is Rescinding this Review

1. Algodonera Avellaneda S.A.
2. Apicola Danangie
3. Argentik LLC
4. Camino de Circunvalancion y Calle
5. Compania Inversora Platense S.A.
6. Cooperativa Apicola La Colmena Ltda
7. Industrial Haedo S.A
8. Mieles Cor Pam Srl).

Appendix III

Non-Examined Companies Receiving a Review-Specific Rate

1. Azul Agronegocios S.A.
2. Compania Apicola Argentina S.A.
3. Compania Inversora Platense S.A.
4. Cooperativa Apicola La Colmena Ltda.
5. D'Ambros Maria De Los Angeles D'Ambros Maria Daniela SRL.
6. D'Ambros Maria de los Angeles y D'Ambros Maria Daniela SRL.
7. Gasrroni Srl.
8. Gasrroni S.R.L.
9. Geomiel SA.
10. Gruas San Blas S.A.
11. Honey and Grains SRL.
12. Naiman S.A.
13. Newsan S.A.
14. Newsan Food S.A.
15. Osbo S.A.
16. Patagonik Food S.A.
17. Promiel Srl (Vicentin S.A.I.C.).
18. Terremare Foods S.A.S.
19. Villamora S.A

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[21] *See Raw Honey from Argentina: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances,* 87 FR 22179, 22181 (April 14, 2022) *(Honey Argentina Inv Final).*

[22] For a full discussion of this practice, *see Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties,* 68 FR 23954 (May 6, 2003).

[23] *See Honey Argentina Inv. Final,* 87 FR at 22181.

DEPARTMENT OF COMMERCE

International Trade Administration

[A–557–819]

Prestressed Concrete Steel Wire Strand From Malaysia: Preliminary Results and Rescission, in Part, of Antidumping Duty Administrative Review; 2023–2024

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) is conducting an administrative review of the antidumping duty (AD) order on prestressed concrete steel wire strand (PC strand) from Malaysia for the period of review (POR) June 1, 2023, through May 31, 2024. Commerce preliminarily finds that Kiswire Sdn. Bhd. (Kiswire) and Wei Dat Steel Wire Sdn. Bhd. (Wei Dat) did not make sales of subject merchandise at prices below normal value (NV) during the POR. Additionally, we are rescinding this review, in part, with respect to one company for which there were no reviewable entries of subject merchandise during the POR. We invite interested parties to comment on these preliminary results.

DATES: Applicable October 3, 2025.

FOR FURTHER INFORMATION CONTACT: Monica Gillis or Peter Shaw, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–6384 or (202) 482–0697, respectively.

SUPPLEMENTARY INFORMATION:

Background

On July 29, 2024, Commerce initiated an administrative review of the AD order on PC strand, in accordance with

section 751(a) of the Tariff Act of 1930, as amended (the Act).[1] This review covers four producers/exporters of subject merchandise.[2] Commerce selected two mandatory respondents for individual examination, Kiswire and Wei Dat.[3] On December 9, 2024, Commerce tolled certain deadlines in this administrative proceeding by 90 days[4] and, on May 8, 2025, Commerce extended the time limit for completing the preliminary results of this review until September 26, 2025.[5] For a complete description of the events that followed the initiation of the review, *see* the Preliminary Decision Memorandum.[6]

For a full description of the methodology underlying these preliminary results, *see* the Preliminary Decision Memorandum. A list of the topics discussed in the Preliminary Decision Memorandum is included as an appendix to this notice. The Preliminary Decision Memorandum is a public document and is made available to the public via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at *https://access.trade.gov.* In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at *https://access.trade.gov/public/FRNoticesListLayout.aspx.*

Scope of the Order

The product covered by the scope of the *Order* is PC strand from Malaysia. For a full description of the scope of the *Order, see* the Preliminary Decision Memorandum.

Rescission of Administrative Review, in Part

Pursuant to 19 CFR 351.213(d)(3), when there are no reviewable entries of subject merchandise during the POR subject to the AD order for which liquidation is suspended, Commerce may rescind an administrative review, in whole or only with respect to a particular exporter or producer.[7] At the end of the administrative review, any suspended entries are liquidated at the assessment rate computed for the review period.[8] Therefore, for an administrative review to be conducted, there must be at least one reviewable, suspended entry that Commerce can instruct U.S. Customs and Border Protection (CBP) to liquidate at the newly calculated assessment rate. On August 14, 2024, Commerce notified all interested parties of its intent to rescind the administrative review with respect to Southern Steel Sdn. Bhd. (Southern Steel) because this company had no reviewable, suspended entries of subject merchandise and invited interested parties to comment.[9] We received no comments on our intent to rescind the review with respect to Southern Steel. Accordingly, pursuant to 19 CFR 351.213(d)(3), we are rescinding this administrative review, in part, with respect to Southern Steel.

Methodology

Commerce is conducting this review in accordance with section 751(a) of the Act. We calculated export price and NV in accordance with sections 772(a) and 773 of the Act, respectively.

Rate for Non-Examined Company

The Act and Commerce's regulations do not address the establishment of a rate to be applied to companies not selected for examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in a market economy investigation, for guidance when calculating the rate for companies which were not selected for individual examination in an administrative review. Under section 735(c)(5)(A) of the Act, the all-others rate is normally ''an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero and de minimis margins, and any margins determined entirely'' on the basis of facts available. Where the dumping margin for individually examined respondents are all zero, *de minimis,* or based entirely on facts available, section 735(c)(5)(B) of the Act provides that Commerce may use ''any reasonable method to establish the estimated all-others rate for exporters and producers not individually investigated, including averaging the estimated weighted average dumping margins determined for the exporters and producers individually investigated.''

In this review, Commerce preliminarily calculated weighted-average dumping margins for both Kiswire and Wei Dat that are zero percent. Therefore, consistent with the U.S. Court of Appeals for the Federal Circuit's decision in *Albemarle,*[10] and Commerce's practice,[11] we assigned the sole non-examined company, Southern PC Steel Sdn. Bhd., a rate of zero percent, because we calculated rates of zero percent for both mandatory respondents, pursuant to section 735(c)(5)(B) of the Act.

Preliminary Results of the Review

Commerce preliminarily determines that the following estimated weighted-average dumping margins exist for the period June 1, 2023, through May 31, 2024:

Exporter/producer	Weighted-average dumping margin (percent)
Kiswire Sdn. Bhd	0.00
Wei Dat Steel Wire Sdn. Bhd	0.00
Southern PC Steel Sdn. Bhd	0.00

Disclosure

Commerce intends to disclose the calculations performed in connection with these preliminary results to interested parties within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this notice in the **Federal Register**, in accordance with 19 CFR 351.224(b).

Verification

On August 21, 2024, Insteel Wire Products Company, Sumiden Wire

[1] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 89 FR 60871 (July 29, 2024) (*Initiation Notice*); *see also Prestressed Concrete Steel Wire Strand from Indonesia, Italy, Malaysia, South Africa, Spain, Tunisia, and Ukraine: Antidumping Duty Orders,* 86 FR 29998 (June 4, 2021) (*Order*).

[2] *See Initiation Notice.*

[3] *See* Memorandum, ''Respondent Selection,'' dated August 13, 2024.

[4] *See* Memorandum, ''Tolling of Deadlines for Antidumping and Countervailing Duty Proceedings,'' dated December 9, 2024.

[5] *See* Memorandum, ''Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review,'' dated May 8, 2025.

[6] *See* Memorandum, ''Decision Memorandum for the Preliminary Results of the Administrative Review of the Antidumping Duty Order on Prestressed Concrete Wire Strand from Malaysia; 2023–2024,'' dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

[7] *See, e.g., Forged Steel Fittings from Taiwan: Rescission of Antidumping Duty Administrative Review; 2018–2019,* 85 FR 71317, 71318 (November 9, 2020); *see also Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Rescission of Antidumping Duty Administrative Review; 2016–2017,* 83 FR 54084 (October 26, 2018).

[8] *See* 19 CFR 351.212(b)(1).

[9] *See* Memorandum, ''Notice of Intent to Rescind Review, In Part,'' dated August 14, 2024.

[10] *See Albemarle Corp.* v. *United States,* 821 F.3d 1345 (Fed. Cir. 2016) (*Albemarle*).

[11] *See, e.g., Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review; 2020–2021,* 87 FR 60989 (October 7, 2022), unchanged in *Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2020–2021,* 88 FR 20218 (April 5, 2023).

Products Corporation, and Wire Mesh Corp. (collectively, the petitioners), requested that Commerce conduct verification of the questionnaire responses submitted in this administrative review for Wei Dat.[12] Pursuant to 19 CFR 351.307(b)(1)(v), Commerce intends to verify the information submitted by Wei Dat prior to issuing the final results of this review. Additionally, pursuant to 19 CFR 351.307(b)(1)(iv), Commerce intends to verify the questionnaire responses submitted by Kiswire, because we find that good cause for verification exists.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance.[13] Pursuant to 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs no later than seven days after the date on which the last verification report is issued in this administrative review. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.[14] Interested parties who submit case or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue; and (2) a table of authorities.

As provided under 19 CFR 351.309(c)(2) and (d)(2), in prior proceedings we have encouraged interested parties to provide an executive summary of their brief that should be limited to five pages total, including footnotes. In this review, we instead request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.[15] Further, we request that interested parties limit their executive summary of each issue to no more than 450 words, not including citations. We intend to use the executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final results in this review. We request that interested parties include footnotes for relevant citations in the executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).[16]

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants and whether any participant is a foreign national; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case briefs. Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, parties will be notified of the time and date for the hearing.[17] Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date. All submissions, including case and rebuttal briefs, as well as hearing requests, should be filed via ACCESS.[18] An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time on the established deadline.

Assessment Rates

Upon completion of the final results of this administrative review, Commerce shall determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review. If a respondent's weighted-average dumping margin is not zero or *de minimis* (*i.e.,* less than 0.5 percent) in the final results of this review, we will calculate importer-specific assessment rates based on the ratio of the total amount of dumping calculated for the importer's examined sales to the total entered value of those same sales in accordance with 19 CFR 351.212(b)(1). If either respondent's weighted-average dumping margin is zero or *de minimis* in the final results of review, or if an importer-specific assessment rate is zero or *de minimis,* Commerce will instruct CBP to liquidate appropriate entries without regard to antidumping duties. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by this review and for future deposits of estimated duties, where applicable.[19]

In accordance with Commerce's ''automatic assessment'' practice, for entries of subject merchandise during the POR produced by Kiswire or Wei Dat for which these companies did not know that the merchandise was destined for the United States, we will instruct CBP to liquidate those entries at the all-others rate established in the original less-than-fair-value (LTFV) investigation (*i.e.,* 5.13 percent),[20] if there is no rate for the intermediate company(ies) involved in the transaction.[21] For the company that was not selected for individual review, we will assign an assessment rate based on the review-specific average rate, calculated as noted in the ''Preliminary Results of Review'' section above.

For the company for which the review is rescinded, Southern Steel, we will instruct CBP to assess antidumping duties on any suspended entries that entered under its CBP case number (*i.e.,* at that exporter's rate) at a rate equal to the cash deposit of estimated antidumping duties required at the time of entry, or withdrawal from warehouse, for consumption, during the POR.

Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the publication date of the final results of this review in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.,* within 90 days of publication).

Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by 751(a)(2)(C) of the Act: (1) the cash deposit rate for the companies listed in the final results of this review will be equal to the weighted-average dumping margins established in the final results of this review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; (2) for merchandise exported by a company not covered in this review, but covered in a prior segment of the proceeding, the cash deposit rate will be the company-

[12] *See* Petitioners' Letter, ''Petitioners' Request for Verification of Wei Dat Sdn. Bhd.,'' dated August 21, 2024.

[13] *See* 19 CFR 351.309(c)(1)(ii); *see also* 19 CFR 351.303 (for general filing requirements).

[14] *See* 19 CFR 351.309(d); *see also Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings,* 88 FR 67069, 67077 (September 29, 2023) (*APO and Service Final Rule*).

[15] We use the term ''issue'' here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

[16] *See APO and Service Final Rule.*

[17] *See* 19 CFR 351.310(d).

[18] *See* 19 CFR 351.303.

[19] *See* section 751(a)(2)(C) of the Act.

[20] *See Order,* 86 FR at 30000.

[21] For a full discussion of this practice, *see Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties,* 68 FR 23954 (May 6, 2003).

specific rate published for the most recently-completed segment in which it was reviewed; (3) if the exporter is not a firm covered in this review or in the original LTFV investigation, but the producer is, then the cash deposit rate will be the rate established for the most recently-completed segment of this proceeding for the producer of the merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 5.13 percent, the all-others rate established in the LTFV investigation.[22] These cash deposit requirements, when imposed, shall remain in effect until further notice.

Final Results of Review

Unless otherwise extended, Commerce intends to issue the final results of this administrative review, including the results of its analysis of the issues raised in any written briefs, no later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(1).

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to the liquidation of the relevant entries during the POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

Commerce is issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213(h)(2) and 351.221(b)(4).

Dated: September 26, 2025.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

I. Summary
II. Background
III. Scope of the *Order*
IV. Particular Market Situation
V. Discussion of the Methodology
VI. Currency Conversion
VII. Recommendation

[FR Doc. 2025–19421 Filed 10–2–25; 8:45 am]

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[22] *See Order,* 81 FR at 30000.

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–880]

Barium Carbonate From the People's Republic of China: Final Results of Sunset Review and Revocation of Antidumping Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: On July 1, 2025, the U.S. Department of Commerce (Commerce) initiated the fourth sunset review of the Antidumping Duty (AD) Order on barium carbonate from the People's Republic of China (China). Because no domestic party responded to the sunset review notice of initiation by the applicable deadline, consistent with section 751(c)(3)(A) of the Tariff Act of 1930, as amended (the Act), Commerce is revoking the AD Order on barium carbonate from China.

DATES: Applicable October 3, 2025.

FOR FURTHER INFORMATION CONTACT: David De Falco, Trade Agreements Policy and Negotiations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–2178.

SUPPLEMENTARY INFORMATION:

Background

On October 1, 2003, Commerce published the *Order* on barium carbonate from China.[1] On August 20, 2020, Commerce published the most recent continuation of the *Order.*[2] On July 1, 2025, Commerce published the initiation of the fourth sunset review of the *Order* pursuant to section 751(c) of the Act.[3]

We did not receive a substantive response to the notice of initiation from any domestic interested party, pursuant to 19 CFR 351.218(d)(3). has responded to the notice of initiation under section 751(c)(3)(A) of the Act. under section 751(c)(3)(A) of the Act.

[1] *See Antidumping Duty Order: Barium Carbonate from the People's Republic of China,* 68 FR 56619, (October 1, 2003) (*Order*).

[2] *See Barium Carbonate from the People's Republic of China: Continuation of Antidumping Duty Order,* 85 FR 51409, (August 20, 2020) (*Continuation Order*).

[3] *See Initiation of Five-Year (Sunset) Reviews,* 90 FR 28722, (July 1, 2025).

Scope of the Order

The merchandise covered by this *Order* is barium carbonate, regardless of form or grade. The product is currently classifiable under subheading 2836.60.0000 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

Revocation

Pursuant to section 751(c)(3)(A) of the Act, ''{i}f no interested party responds to the notice of initiation . . . {Commerce} shall issue a final determination, within 90 days after the initiation of a review, revoking the order.'' Because no domestic interested parties responded to the notice of initiation in these segments of the proceeding, Commerce is revoking the *Order.*

Effective Date of Revocation

Pursuant to section 751(c)(3)(A) of the Act and 19 CFR 351.222(i)(2)(i), Commerce intends to instruct U.S. Customs and Border Protection to terminate the suspension of liquidation of the merchandise subject to this *Order* entered, or withdrawn from the warehouse, on or after August 20, 2025, the fifth anniversary of the date of publication of the last continuation notice.[4] Entries of subject merchandise prior to the effective date of revocation will continue to be subject to suspension of liquidation and AD deposit requirements. Commerce may conduct administrative reviews of subject merchandise entered prior to the effective date of revocation in response to appropriately filed requests for review.

Notification to Interested Parties

We are issuing and publishing this notice in accordance with sections 751(c) and 777(i)(1) of the Act, and 19 CFR 351.222(i)(1)(i).

Dated: September 29, 2025.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

[FR Doc. 2025–19409 Filed 10–2–25; 8:45 am]

BILLING CODE 3510–DS–P

[4] *See Continuation Order.*

DEPARTMENT OF COMMERCE

International Trade Administration

[A–583–837]

Polyethylene Terephthalate Film, Sheet, and Strip From Taiwan: Preliminary Results and Preliminary Intent To Rescind, In Part, of Antidumping Duty Administrative Review; 2023–2024

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that Nan Ya Plastics Corporation (Nan Ya) made sales of polyethylene terephthalate film, sheet, and strip (PET film) from Taiwan, at less than normal value (NV) during the period of review (POR) July 1, 2023, through June 30, 2024. Further, we preliminarily find that Shinkong Materials Technology Corporation (SMTC) and Shinkong Synthetic Fiber Corporation (SSFC), which we consider to be a single entity (SMTC/SSFC), had no reviewable entries during the POR. Interested parties are invited to comment on the preliminary results of this review.

DATES: Applicable October 3, 2025.

FOR FURTHER INFORMATION CONTACT: Charles DeFilippo, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–3797.

SUPPLEMENTARY INFORMATION:

Background

On July 1, 2024, Commerce published in the **Federal Register** a notice of opportunity [1] to request an administrative review of the AD order on PET film from Taiwan.[2] On August 14, 2024, in accordance with 19 CFR 351.221(c)(1)(i), Commerce published a notice of initiation of an administrative review of the *Order*.[3] On December 9, 2024, Commerce tolled certain deadlines in this administrative proceeding by 90 days.[4] On June 25, 2025, in accordance with section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.213(h)(2), Commerce extended the deadline to issue the preliminary results by 90 days, until September 29, 2025.[5] For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.[6] A list of the topics included in the Preliminary Decision Memorandum is included as an appendix to this notice.

The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at *https://access.trade.gov.* In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at *https://access.trade.gov/public/FRNoticesListLayout.aspx.*

Scope of the Order

The merchandise subject to the *Order* is PET film. A complete description of the scope of the *Order* is provided in the Preliminary Decision Memorandum.

Preliminary Intent To Rescind Review, In Part

On September 27, 2024, Commerce placed U.S. Customs and Border Protection (CBP) entry data for U.S. imports of PET film from Taiwan during the POR, which showed that SMTC/SSFC [7] did not make any shipments of PET Film during the POR.[8] No party commented on the CBP data. Therefore, the record demonstrates that SMTC/SSFC had no suspended entries during the POR. On this basis, we intend to rescind the review with respect to SMTC/SSFC in accordance with 19 CFR 351.213(d)(3).

In the absence of any suspended entries of subject merchandise from SMTC/SSFC during the POR, Commerce hereby notifies all interested parties of its intent to rescind this administrative review with respect to SMTC/SSFC. Commerce is providing interested parties with an opportunity to submit comments on this preliminary decision, including factual information. Comments, including factual information from interested parties, are due to Commerce seven calendar days after the publication date of this notice. Rebuttal comments, including rebuttal factual information, are due seven calendar days thereafter. In accordance with 19 CFR 351.303, all submissions must be filed electronically in ACCESS.

Methodology

Commerce is conducting this review in accordance with section 751(a) of the Act. Export price is calculated in accordance with section 772 of the Act. NV is calculated in accordance with section 773 of the Act. For a full description of the methodology underlying these preliminary results, *see* the Preliminary Decision Memorandum.

Preliminary Results of Review

As a result of this review, Commerce preliminarily determines that the following estimated weighted-average dumping margin exists for the period July 1, 2023, through June 30, 2024:

Producer/exporter	Weighted-average dumping margin (percent)
Nan Ya Plastics Corporation	1.06

Disclosure

Commerce intends to disclose its calculations and analysis performed to interested parties under administrative protective order for these preliminary results within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. Pursuant to 19 CFR

[1] *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review and Join Annual Inquiry Service List,* 89 FR 54437 (July 1, 2024).

[2] *See Notice of Amended Final Antidumping Duty Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Polyethylene Terephthalate Film, Sheet, and Strip (PET Film) from Taiwan,* 67 FR 44174 (July 1, 2002) (*Order*).

[3] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 89 FR 66035 (August 14, 2024).

[4] *See* Memorandum, ''Tolling of Deadlines for Antidumping and Countervailing Duty Proceedings,'' dated December 9, 2024.

[5] *See* Memorandum, ''Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review,'' dated June 25, 2025.

[6] *See* Memorandum, ''Decision Memorandum for the Preliminary Results of the Antidumping Duty Administrative Review of Polyethylene Terephthalate Film, Sheet, and Strip from Taiwan; 2023–2024'' dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

[7] In the 2011–2012 administrative review, we treated SMTC and SSFC as a single entity. *See Polyethylene Terephthalate Film, Sheet, and Strip from Taiwan; Preliminary Results of Antidumping Duty Administrative Review; 2011–2012,* 78 FR 48651 (August 9, 2013), and accompanying Preliminary Decision Memorandum, unchanged in *Polyethylene Terephthalate Film, Sheet, and Strip from Taiwan: Final Results of Antidumping Duty Administrative Review; 2011–2012,* 79 FR 11407 (February 28, 2014). We have treated SMTC and SSFC as a single entity in all subsequent reviews. There is no information on the record of this administrative review that would lead Commerce to reconsider that determination. Accordingly, we continue to treat SMTC and SSFC as a single entity for purposes of this administrative review.

[8] *See* Memorandum, ''Release of Customs Entry Data,'' dated September 27, 2024.

351.309(c)(1)(ii), we have modified the deadline for interested parties to submit case briefs to Commerce to no later than 21 days after the date of the publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.[9] Interested parties who submit case briefs or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue; and (2) a table of authorities.[10] All briefs must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety in ACCESS by 5:00 p.m. Eastern Time on the established deadline.

As provided under 19 CFR 351.309(c)(2) and (d)(2), in prior proceedings we have encouraged interested parties to provide an executive summary of their briefs that should be limited to five pages total, including footnotes. In this review, we instead request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.[11] Further, we request that interested parties limit their executive summary of each issue to no more than 450 words, not including citations. We intend to use the executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final results in this administrative review. We request that interested parties include footnotes for relevant citations in the executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).[12]

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS. An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time within 30 days after the date of publication of this notice. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case briefs. Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, Commerce intends to hold the hearing at a date and time to be determined.[13]

Final Results of Review

Unless extended, Commerce intends to issue the final results of this administrative review, including the results of its analysis of the issues raised in any written briefs, not later than 120 days after the date of publication of this notice in the **Federal Register**, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(1).

Assessment Rates

Upon completion of this administrative review, Commerce shall determine, and CBP shall assess, antidumping duties on all appropriate entries in accordance with 19 CFR 351.212(b). If Nan Ya's weighted-average dumping margin is not zero or *de minimis* (*i.e.,* less than 0.5 percent) in the final results of this review, we will calculate importer-specific assessment rate on the basis of the ratio of the total amount of dumping calculated for an importer's examined sales and the total entered value of such sales in accordance with 19 CFR 351.212(b)(1).[14] If the weighted-average dumping margin is zero or *de minimis* in the final results of review, or an importer-specific rate is zero or *de minimis,* we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by this review and for future deposits of estimated duties, where applicable.[15]

For entries of subject merchandise during the POR produced by Nan Ya for which it did not know its merchandise was destined for the United States, we intend to instruct CBP to liquidate such entries at the all-others rate (*i.e.,* 2.40 percent) [16] if there is no rate for the intermediate company(ies) involved in the transaction.[17]

Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this administrative review in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.,* within 90 days of publication). The final results of this administrative review shall be the basis for the assessment of antidumping duties on entries of merchandise under review and for future cash deposits of estimated antidumping duties, where applicable.

Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of PET film from Taiwan entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review, as provided for by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for Nan Ya will be the rate established in the final results of this review (except, if the rate is zero or *de minimis,* no cash deposit will be required); (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the less-than-fair value investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) the cash deposit rate for all other producers or exporters is 2.40 percent.[18] These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with

[9] *See* 19 CFR 351.309(d)(1); *see also Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings,* 88 FR 67069, 67077 (September 29, 2023) (*APO and Service Final Rule*).

[10] *See* 19 CFR 351.309(c)(2) and (d)(2).

[11] We use the term ''issue'' here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

[12] *See APO and Service Final Rule.*

[13] *See* 19 CFR 351.310(c).

[14] *See Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification,* 77 FR 8101, 8103 (February 14, 2012).

[15] *See* section 751(a)(2)(C) of the Act.

[16] *See Notice of Amended Final Antidumping Duty Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Polyethylene Terephthalate Film, Sheet, and Strip (PET Film) from Taiwan,* 67 FR at 44175 (July 1, 2002), unchanged in *Notice of Amended Final Antidumping Duty Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Polyethylene Terephthalate Film, Sheet, and Strip (PET Film) from Taiwan* {*sic*}, 67 FR at 46566 (July 15, 2002).

[17] For a full discussion of this practice, *see Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties,* 68 FR 23954 (May 6, 2003).

[18] *See Order.*

this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

We are issuing and publishing these preliminary results in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: September 29, 2025.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

I. Summary
II. Background
III. Scope of the Order
IV. Preliminary Determination of No Shipments and Preliminary Rescission of Review, in Part
V. Discussion of the Methodology
VI. Currency Conversion
VII. Recommendation

[FR Doc. 2025–19412 Filed 10–2–25; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[C–570–127]

Certain Non-Refillable Steel Cylinders From the People's Republic of China: Rescission of Countervailing Duty Administrative Review; 2024

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) is rescinding the administrative review of the countervailing duty (CVD) order on certain non-refillable steel cylinders (non-refillable cylinders) from the People's Republic China (China), covering the period of review (POR) January 1, 2024, though December 31, 2024, because, as explained below, there are no reviewable suspended entries for the company subject to this review.

DATES: Applicable October 3, 2025.

FOR FURTHER INFORMATION CONTACT: Kristen Johnson, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–4793.

SUPPLEMENTARY INFORMATION:

Background

On May 5, 2025, Commerce published in the **Federal Register** a notice of opportunity to request an administrative review of the CVD order on non-refillable cylinders from China, covering the period January 1, 2024, though December 31, 2024.[1] On May 22, 2025, Sanjiang Kai Yuan Co., Ltd. (SKY) timely requested that Commerce conduct an administrative review.[2] We received no other requests for review.

On June 25, 2025, Commerce published in the **Federal Register** a notice of initiation of an administrative review with respect to SKY, in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act).[3] On July 9, 2025, Commerce released a memorandum indicating that there were no entries of subject merchandise during the POR based on a U.S. Customs and Border Protection (CBP) entry data query and notified all interested parties of its intent to rescind the review.[4] Commerce provided parties an opportunity to submit comments on the data query results and intent to rescind.[5] No party submitted comments to Commerce.

Rescission of Review

Pursuant to 19 CFR 351.213(d)(3), it is Commerce's practice to rescind an administrative review of a CVD order when there are no entries of subject merchandise during the POR for which liquidation is suspended.[6] Normally, upon completion of an administrative review, the suspended entries are liquidated at the CVD assessment rate for the review period.[7] Therefore, for an administrative review to be conducted, there must be a reviewable, suspended entry that Commerce can instruct CBP to liquidate at the calculated CVD assessment rate for the review period.[8] As noted above, there were no entries of subject merchandise from SKY during the POR. Accordingly, in the absence of reviewable, suspended entries of subject merchandise during the POR, we are rescinding this administrative review, in its entirety, in accordance with 19 CFR 351.213(d)(3).

Cash Deposit Requirements

As Commerce has proceeded to a final rescission of this administrative review, no cash deposit rates will change. Accordingly, the current cash deposit requirements shall remain in effect until further notice.

Assessment Rates

Commerce will instruct CBP to assess countervailing duties on all appropriate entries. Countervailing duties shall be assessed at rates equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, in accordance with 19 CFR 351.212(c)(1)(i). Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of this rescission notice in the **Federal Register**.

Administrative Protective Order (APO)

This notice serves as a final reminder to parties subject to an APO of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return or destruction of the APO materials, or conversion to judicial protective order is hereby requested. Failure to comply with regulations and terms of an APO is a violation, which is subject to sanction.

Notification to Interested Parties

This notice is issued and published in accordance with sections 751(a)(1) and 777(i)(l) of the Act, and 19 CFR 351.213(d)(4).

Dated: September 30, 2025.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. 2025–19418 Filed 10–2–25; 8:45 am]

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[1] *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review and Join Annual Inquiry Service List,* 90 FR 18962, 18964 (May 5, 2025).

[2] *See* SKY's Letter, ''Request for Administrative Review,'' dated May 22, 2025.

[3] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 90 FR 26967, 26979 (June 25, 2025).

[4] *See* Memorandum, ''Release of CBP Data Query Results and Notice of Intent to Rescind Review,'' dated July 9, 2025.

[5] *Id.*

[6] *See, e.g., Melamine from the People's Republic of China: Rescission of Countervailing Duty Administrative Review; 2023,* 90 FR 34641 (July 23, 2025).

[7] *See* 19 CFR 351.212(b)(2).

[8] *See* 19 CFR 351.213(d)(3).

DEPARTMENT OF COMMERCE

International Trade Administration

[A–469–814]

Chlorinated Isocyanurates From Spain: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review; 2023–2024

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that sales of chlorinated isocyanurates from Spain were not sold in the United States at less than normal value during the period of review (POR), June 1, 2023, through May 31, 2024. Additionally, Commerce is rescinding this administrative review with respect to two companies under review. We invite interested parties to comment on these preliminary results.

DATES: Applicable October 3, 2025.

FOR FURTHER INFORMATION CONTACT: Trinity Johnson, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–0114.

SUPPLEMENTARY INFORMATION:

Background

Based on a timely request for review, and in accordance with 19 CFR 351.221(c)(1)(i), Commerce initiated this administrative review of the antidumping duty order on chlorinated isocyanurates from Spain covering three companies: 1) Ercros S.A. (Ercros); 2) Industrias Químicas Tamar S.L. (Industrias Quimicas Tamar); and 3) Electroquímica de Hernani, S.A. (EHER).[1] On September 9, 2024, we limited the number of respondents for individual examination in this administrative review to Ercros, as EHER and Industrias Quimicas Tamar did not have entries of subject merchandise during the POR.[2] On December 9, 2024, Commerce tolled certain deadlines in this administrative proceeding by 90 days.[3] On April 28, 2025 and June 12, 2025, Commerce extended the deadline for these preliminary results by a total of 120 days.[4] The current deadline for the preliminary results is September 29, 2025. For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.[5]

Scope of the Order [6]

The products covered by the *Order* are chlorinated isocyanurates, which are derivatives of cyanuric acid, described as chlorinated s-triazine triones. For a full description of the scope of the *Order, see* the Preliminary Decision Memorandum.

Partial Rescission of Administrative Review

Pursuant to 19 CFR 351.213(d)(3), it is Commerce's practice to rescind an administrative review of an AD order where it determines that there were no suspended entries of subject merchandise during the POR. Thus, normally, upon completion of an administrative review, suspended entries of subject merchandise are liquidated at the AD assessment rate calculated for the review period.[7] Therefore, for an administrative review to be conducted, there must be a suspended entry that Commerce can instruct U.S. Customs and Border Protection (CBP) to liquidate at the calculated AD assessment rate for the review period.[8] Commerce may rescind an administrative review if it concludes that, during the period covered by the review, there were no entries, exports, or sales of subject merchandise, as the case may be.[9]

The entry data that Commerce obtained from CBP showed no suspended entries of subject merchandise from Industrias Quimicas Tamar and EHER. On October 3, 2024, Commerce notified interested parties of our intent to rescind this administrative review with respect to these two companies.[10] No interested party commented on our intent to rescind this administrative review with respect to Industrias Quimicas Tamar and EHER. Therefore, in the absence of any suspended entries of subject merchandise during the POR Industrias Quimicas Tamar and EHER, Commerce is rescinding this administrative review with respect to these two companies, in accordance with 19 CFR 351.213(d)(3) and (4).

Methodology

Commerce is conducting this review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). Export price is calculated in accordance with section 772 of the Act. Normal value is calculated in accordance with section 773 of the Act.

For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum. A list of topics included in the Preliminary Decision Memorandum is included as an appendix to this notice. The Preliminary Decision Memorandum is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at *https://access.trade.gov.* In addition, the Preliminary Decision Memorandum can be accessed directly at *https://access.trade.gov/public/FRNoticesListLayout.aspx.*

Preliminary Results of Review

As a result of our review, we preliminarily determine the following estimated weighted-average dumping margins for the period June 1, 2023, through May 31, 2024:

[1] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 89 FR 60871 (July 29, 2024).

[2] *See* Memorandum, ''Customs Entries from June 1, 2023 through May 31, 2024,'' dated September 9, 2024.

[3] *See* Memorandum, ''Tolling of Deadlines for Antidumping and Countervailing Duty Proceedings,'' dated December 9, 2024.

[4] *See* Memoranda, ''Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review,'' dated April 28, 2025; and ''Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review,'' dated June 12, 2025.

[5] *See* Memorandum, ''Decision Memorandum for the Preliminary Results of the Antidumping Duty Administrative Review of Chlorinated Isocyanurates from Spain; 2023–2024,'' dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

[6] *See Chlorinated Isocyanurates from Spain: Notice of Antidumping Duty Order,* 70 FR 36562 (June 24, 2005) (*Order*).

[7] *See* 19 CFR 351.212(b)(1).

[8] *See, e.g., Shanghai Sunbeauty Trading Co.* v. *United States,* 380 F.Supp.3d 1328, 1335–36 (CIT 2019) (referring to section 741(a) of the Act, the CIT held that: ''While the statute does not explicitly require that an entry be suspended as a prerequisite for establishing entitlement to a review, it does explicitly state the determined rate will be used as the liquidated rate for the review entries. This result can only obtain if the liquidation of entries has been suspended''); *see also Certain Frozen Fish Fillets from the Socialist Republic of Vietnam: Final Results of Antidumping Duty Administrative Review And Final Determination of No Shipments;* 2018–2019, 86 FR 36102 (July 8, 2021), and accompanying Issues and Decision Memorandum at Comment 4; and *Solid Fertilizer Grade Ammonium Nitrate from the Russian Federation: Notice of Rescission of Antidumping Duty Administrative Review,* 77 FR 65532 (October 29, 2012) (noting that ''for an administrative review to be conducted, there must be a reviewable, suspended entry to be liquidated at the newly calculated assessment rate'').

[9] *See, e.g., Dioctyl Terephthalate from the Republic of Korea: Rescission of Antidumping Duty Administrative Review; 2021–2022,* 88 FR 24758 (April 24, 2023); *see also Certain Carbon and Alloy Steel Cut-to Length Plate from the Federal Republic of Germany: Recission of Antidumping Administrative Review; 2020–2021,* 88 FR 4157 (January 24, 2023).

[10] *See* Memorandum, ''Notice of Intent to Rescind Review, In Part,'' dated October 3, 2025.

Producer/exporter	Weighted-average dumping margin (percent)
Ercros S.A	0.00

Disclosure

Commerce intends to disclose the calculations used in our analysis to parties in this review within five days of the date of publication of this notice in the **Federal Register**, in accordance with 19 CFR 351.224(b).

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance.[11] Pursuant to 19 CFR 351.309(c)(1)(ii), we have modified the deadline for interested parties to submit case briefs to Commerce no later than 21 days after the date of the publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.[12] Interested parties who submit case briefs or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue; and (2) a table of authorities.[13]

As provided under 19 CFR 351.309(c)(2) and (d)(2), in prior proceedings we have encouraged interested parties to provide an executive summary of their brief that should be limited to five pages total, including footnotes. In this review, we instead request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.[14] Further, we request that interested parties limit their executive summary of each issue to no more than 450 words, not including citations. We intend to use the public executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final results in this administrative review. We request that interested parties include footnotes for relevant citations in the executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).[15]

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case briefs. An electronically filed hearing request must be received successfully in its entirety by Commerce's electronic records system, ACCESS, by 5 p.m. Eastern Time within 30 days after the date of publication of this notice.

Assessment Rates

Upon completion of the administrative review, Commerce shall determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review.[16] If the weighted-average dumping margin is not zero or *de minimis* (*i.e.,* less than 0.5 percent), then Commerce will calculate importer-specific *ad valorem* antidumping duty assessment rates based on the ratio of the total amount of dumping calculated for each importer's examined sales to the total entered value of those same sales in accordance with 19 CFR 351.212(b)(1). If the weighted-average dumping margin is zero or *de minimis* in the final results, or if an importer-specific assessment rate is zero or *de minimis* in the final results, Commerce will instruct CBP to liquidate the appropriate entries without regard to antidumping duties.

In accordance with Commerce's ''automatic assessment'' practice, for entries of subject merchandise that entered the United States during the POR that were produced by the respondent for which it did not know that its merchandise was destined to the United States, Commerce will instruct CBP to liquidate unreviewed entries at the all-others rate, if there is no rate for the intermediate company(ies) involved in the transaction.[17]

Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the **Federal Register**. If a timely summons is filed at the U.S. Court of International Trade (CIT), the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.,* within 90 days of publication).

For EHER and Industrias Quimicas Tamar for which Commerce is rescinding this review, Commerce will instruct CBP to assess antidumping duties on all appropriate entries at a rate equal to the cash deposit of estimated antidumping duties required at the time of entry, or withdrawal from warehouse, for consumption, during the POR in accordance with 19 CFR 351.212(c)(l)(i). Commerce intends to issue rescission instructions to CBP no earlier than 35 days after the publication of these preliminary results in the **Federal Register**.

Cash Deposit Requirements

The following deposit requirements will be effective for all shipments of chlorinated isocyanurates from Spain entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review, as provided for by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for the company under review will be the rate established in the final results of this review (except, if the rate is zero or *de minimis,* no cash deposit will be required); (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the less-than-fair-value investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 24.83 percent, the all-others rate established in the less-than-fair-value investigation.[18] These cash deposit requirements, when imposed, shall remain in effect until further notice.

Final Results of Review

Unless otherwise extended, Commerce intends to issue the final results of this administrative review, including the results of our analysis of issues raised by the parties in the written comments, within 120 days of publication of these preliminary results in the **Federal Register**, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(1).

[11] *See* 19 CFR 351.309(c)(1)(ii); *see also* 19 CFR 351.303 (for general filing requirements).

[12] *See* 19 CFR 351.309(d); *see also Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings,* 88 FR 67069, 67077 (September 29, 2023) (*APO and Service Final Rule*).

[13] *See* 19 CFR 351.309(c)(2) and (d)(2)

[14] We use the term ''issue'' here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

[15] *See APO and Service Final Rule.*

[16] *See* 19 CFR 351.212(b).

[17] For a full discussion of this practice, *see Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties,* 68 FR 23954 (May 6, 2003).

[18] *See Order.*

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

These preliminary results of administrative review are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213(h) and 19 CFR 351.221(b)(4).

Dated: September 29, 2025.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

I. Summary
II. Background
III. Scope of the *Order*
IV. Discussion of the Methodology
V. Currency Conversion
VI. Recommendation

[FR Doc. 2025–19419 Filed 10–2–25; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–823–811, A–549–817, A–583–835, A–560–812, A–533–820, A–570–865, C–549–818, C–560–813, C–533–821]

Certain Hot-Rolled Carbon Steel Flat Products From India, Indonesia, the People's Republic of China, Taiwan, Thailand, and Ukraine: Continuation of Antidumping Duty and Countervailing Duty Orders

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: As a result of the determinations by the U.S. Department of Commerce (Commerce) and the U.S. International Trade Commission (ITC) that revocation of the antidumping duty (AD) orders and countervailing duty (CVD) orders on certain hot-rolled carbon steel flat products from India, Indonesia, the People's Republic of China (China), Taiwan, Thailand, and Ukraine would likely lead to the continuation or recurrence of dumping and countervailable subsidies, and material injury to an industry in the United States, Commerce is publishing a notice of continuation of these AD and CVD orders.

DATES: Applicable September 23, 2025.

FOR FURTHER INFORMATION CONTACT: Yang Jin Chun (AD India, Indonesia, China, Taiwan, Thailand, and Ukraine), Peter Zukowski (CVD India and Indonesia), or Thomas Cloyd (CVD Thailand), AD/CVD Operations, Office I/III/VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–5760, (202) 482–0189, or (202) 482–1246, respectively.

SUPPLEMENTARY INFORMATION:

Background

On November 29 and December 3, 2001, Commerce published in the **Federal Register** the AD and CVD orders on certain hot-rolled carbon steel flat products from India, Indonesia, China, Taiwan, Thailand, and Ukraine.[1] On July 1, 2024, the ITC instituted,[2] and Commerce initiated,[3] the fourth sunset reviews of the *Orders,* pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act). As a result of its reviews, Commerce determined that revocation of the *Orders* would likely lead to the continuation or recurrence of dumping and countervailable subsidies, and therefore, notified the ITC of the magnitude of the margins of dumping and subsidy rates likely to prevail should the *Orders* be revoked.[4]

On September 23, 2025, the ITC published its determination, pursuant to sections 751(c) and 752(a) of the Act, that revocation of the *Orders* would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[5]

Scope of the Orders

The products covered by these *Orders* are certain hot-rolled carbon steel flat products from India, Indonesia, China, Taiwan, Thailand, and Ukraine. For a complete description of the scope of the *Orders, see* the Appendix to this notice.

Continuation of the Orders

As a result of the determinations by Commerce and the ITC that revocation of the *Orders* would likely lead to continuation or recurrence of dumping, countervailable subsidies, and material injury to an industry in the United States, pursuant to section 751(d)(2) of the Act, Commerce hereby orders the continuation of the *Orders.* U.S. Customs and Border Protection will continue to collect AD and CVD cash deposits at the rates in effect at the time of entry for all imports of subject merchandise.

The effective date of the continuation of the *Orders* will be September 23, 2025.[6] Pursuant to section 751(c)(2) of the Act and 19 CFR 351.218(c)(2), Commerce intends to initiate the next five-year reviews of the *Orders* not later than 30 days prior to fifth anniversary of the date of the last determination by the ITC.

[1] *See Notice of Amended Final Antidumping Duty Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products from India,* 66 FR 60194 (December 3, 2001); *Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products from Indonesia,* 66 FR 60192 (December 3, 2001); *Notice of Antidumping Duty Order: Certain Hot Rolled Carbon Steel Flat Products from the People's Republic of China,* 66 FR 59561 (November 29, 2001); *Notice of Antidumping Duty Order; Certain Hot-Rolled Carbon Steel Flat Products from Taiwan,* 66 FR 59563 (November 29, 2001); *Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products from Thailand,* 66 FR 59562 (November 29, 2001); *Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products from Ukraine,* 66 FR 59559 (November 29, 2001); *Notice of Amended Final Determination and Notice of Countervailing Duty Orders: Certain Hot-Rolled Carbon Steel Flat Products from India and Indonesia,* 66 FR 60198 (December 3, 2001); *and Notice of Countervailing Duty Order: Certain Hot-Rolled Carbon Steel Flat Products from Thailand,* 66 FR 60197 (December 3, 2001) (collectively, the *Orders*).

[2] *See Hot-Rolled Steel Products from China, India, Indonesia, Taiwan, Thailand, and Ukraine; Institution of Five-Year Reviews,* 89 FR 54528 (July 1, 2024).

[3] *See Initiation of Five-Year (Sunset) Reviews,* 89 FR 54435 (July 1, 2024).

[4] *See Certain Hot-Rolled Carbon Steel Flat Products from India, Indonesia, the People's Republic of China, Taiwan, Thailand, and Ukraine: Final Results of Expedited Fourth Sunset Reviews of the Antidumping Duty Orders,* 89 FR 88971 (November 12, 2024), and accompanying Issues and Decision Memorandum (IDM); *Certain Hot-Rolled Carbon Steel Flat Products from India and Indonesia: Final Results of the Expedited Fourth Sunset Reviews of the Countervailing Duty Orders,* 89 FR 88964 (November 12, 2024), and accompanying IDM; and *Certain Hot-Rolled Carbon Steel Flat Products from Thailand: Final Results of Expedited Fourth Sunset Review of the Countervailing Duty Order,* 89 FR 88966 (November 12, 2024), and accompanying IDM.

[5] *See Hot-Rolled Steel Products from China, India, Indonesia, Taiwan, Thailand, and Ukraine; Determinations,* 90 FR 45809 (September 23, 2025) (*ITC Final Determination*).

[6] *See ITC Final Determination.*

Administrative Protective Order (APO)

This notice also serves as a final reminder to parties subject to an APO of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

These five-year (sunset) reviews and this notice are in accordance with sections 751(c) and 751(d)(2) of the Act and published in accordance with section 777(i) of the Act, and 19 CFR 351.218(f)(4).

Dated: September 29, 2025.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

Appendix

Scope of the Orders

The merchandise subject to the *Orders* is certain hot-rolled flat-rolled carbon-quality steel products of a rectangular shape, of a width of 0.5 inch or greater, neither clad, plated, nor coated with metal and whether or not painted, varnished, or coated with plastics or other non-metallic substances, in coils (whether or not in successively superimposed layers), regardless of thickness, and in straight lengths, of a thickness of less than 4.75 mm and of a width measuring at least 10 times the thickness. Universal mill plate (*i.e.,* flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm, but not exceeding 1250 mm, and of a thickness of not less than 4 mm, not in coils and without patterns in relief) of a thickness not less than 4.0 mm is not included within the scope of the *Orders.*

Specifically included within the scope of the *Orders* are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels, high strength low alloy (HSLA) steels, and the substrate for motor lamination steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium or niobium (also commonly referred to as columbium), or both, added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, vanadium, and molybdenum. The substrate for motor lamination steels contains micro-alloying levels of elements such as silicon and aluminum.

Steel products included in the scope of the *Orders,* regardless of definitions in the Harmonized Tariff Schedule of the United States (HTSUS), are products in which: (i) Iron predominates, by weight, over each of the other contained elements; (ii) the carbon content is 2 percent or less, by weight; and (iii) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

1.80 percent of manganese, or
2.25 percent of silicon, or
1.00 percent of copper, or
0.50 percent of aluminum, or
1.25 percent of chromium, or
0.30 percent of cobalt, or
0.40 percent of lead, or
1.25 percent of nickel, or
0.30 percent of tungsten, or
0.10 percent of molybdenum, or
0.10 percent of niobium, or
0.15 percent of vanadium, or
0.15 percent of zirconium.

All products that meet the physical and chemical description provided above are within the scope of the *Orders* unless otherwise excluded. The following products, by way of example, are outside or specifically excluded from the scope of the *Orders:*

—Alloy hot-rolled steel products in which at least one of the chemical elements exceeds those listed above (including, *e.g.,* ASTM specifications A543, A387, A514, A517, A506).
—SAE/AISI grades of series 2300 and higher.
—Ball bearings steels, as defined in the HTSUS.
—Tool steels, as defined in the HTSUS.
—Silico-manganese (as defined in the HTSUS) or silicon electrical steel with a silicon level exceeding 2.25 percent.
—ASTM specifications A710 and A736.
—USS Abrasion-resistant steels (USS AR 400, USS AR 500).
—All products (proprietary or otherwise) based on an alloy ASTM specification (sample specifications: ASTM A506, A507).
—Non-rectangular shapes, not in coils, which are the result of having been processed by cutting or stamping and which have assumed the character of articles or products classified outside chapter 72 of the HTSUS.

The merchandise subject to the *Orders* is classified in the HTSUS at subheadings: 7208.10.15.00, 7208.10.30.00, 7208.10.60.00, 7208.25.30.00, 7208.25.60.00, 7208.26.00.30, 7208.26.00.60, 7208.27.00.30, 7208.27.0040, 7208.27.0045, 7208.27.00.60, 7208.36.00.30, 7208.36.00.60, 7208.37.00.30, 7208.37.00.60, 7208.38.00.15, 7208.38.00.30, 7208.38.00.90, 7208.39.00.15, 7208.39.20, 7208.39.0025, 7208.39.00.30, 7208.39.00.90, 7208.40.60.30, 7208.36.60.60, 7208.53.00.00, 7208.54.00.00, 7208.90.00.00, 7211,14.00.90, 7211.19.15.00, 7211.19.20.00, 7211.19.30.00, 7211.19.45.00, 7211.19.60.00, 7211.19.75.30, 7211.19.75.60, and 7211.19.75.90. Certain hot-rolled flat-rolled carbon-quality steel covered by the *Orders,* including: Vacuum degassed fully stabilized; high strength low alloy; and the substrate for motor lamination steel may also enter under the following tariff numbers: 7225.11.00.00, 7225.19.00.00, 7225.30.30.50, 7225.30.70.00, 7225.40.70.00, 7225.99.00.90, 7226.11.10.00, 7226.11.90.30, 7226.11.90.60, 7226.19.10.00, 7226.19.90.00, 7226.91.50.00, 7226.91.70.00, 7226.91.80.00, and 7226.99.00.00. Subject merchandise may also enter under 7210.70.30.00, 7210.90.90.00, 7211.14.00.30, 7212.40.10.00, 7212.40.50.00. and 7212.50.00.00. Although the HTSUS subheadings are provided for convenience and U.S. Customs purposes, the written description of the merchandise subject to this proceeding is dispositive.

[FR Doc. 2025–19411 Filed 10–2–25; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–008]

Calcium Hypochlorite From the People's Republic of China: Final Results of the Second Expedited Sunset Review of the Antidumping Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: As a result of this sunset review, the U.S. Department of Commerce (Commerce) finds that revocation of the antidumping duty (AD) order on calcium hypochlorite from the People's Republic of China (China) would be likely to lead to a continuation or recurrence of dumping at the levels indicated in the ''Final Results of Sunset Review'' section of this notice.

DATES: Applicable October 3, 2025.

FOR FURTHER INFORMATION CONTACT: David De Falco, Trade Agreements Policy and Negotiations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–2178.

SUPPLEMENTARY INFORMATION:

Background

On January 30, 2015, Commerce published the AD order on calcium hypochlorite from China.[1] On June 2, 2024, Commerce published in the **Federal Register** the notice of initiation of the second sunset review of the *Order,* pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).[2] On June 17, 2025, Commerce received a timely notice of intent to participate from Innovative Water Care, LLC (IWC), a domestic interested party, within the 15-day deadline specified in

[1] *See Calcium Hypochlorite from the People's Republic of China: Antidumping Duty Order,* 80 FR 5085 (January 30, 2015) (*Order*).

[2] *See Initiation of Five-Year (Sunset) Reviews,* 90 FR 23310 (June 2, 2025).

19 CFR 351.218(d)(1)(i).[3] IWC claimed interested party status under section 771(9)(C) of the Act, as a U.S. producer of a domestic like product.[4] On July 1, 2025, we notified the U.S. International Trade Commission (ITC) that we had received a notice of intent to participate from the domestic interested party.[5]

On July 2, 2025, we received a complete substantive response from IWC within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).[6] We received no substantive responses from respondent interested parties, nor was a hearing requested. On July 21, 2025, we notified the U.S. International Trade Commission (ITC) that no respondent interested party submitted a substantive response.[7] As a result, pursuant to section 751(c)(3)(A) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), we conducted an expedited (120-day) sunset review of the *Order.*

Scope of the Order

The product covered by this *Order* is calcium hypochlorite from China. For a full description of the scope, *see* the Issues and Decision Memorandum.[8]

Analysis of Comments Received

A complete discussion of all issues raised in these sunset reviews is contained in the accompanying Issues and Decision Memorandum.[9] A list of topics discussed in the Issues and Decision Memorandum is included as an appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at *http://access.trade.gov.* In addition, a complete version of the Issues and Decision Memorandum can be directly accessed at *http://access.trade.gov/public/FRNoticesListLayout.aspx.*

Final Results of Sunset Review

Pursuant to sections 751(c)(1) and 752(c)(1) and (3) of the Act, Commerce determines that revocation of the *Order* would likely lead to the continuation or recurrence of dumping and that the magnitude of the dumping margins likely to prevail would be weighed-average margins up to 210.52 percent.[10]

Administrative Protective Orders

This notice serves as the only reminder to interested parties subject to an Administrative Protective Order (APO) of their responsibility concerning the return/destruction or conversion to judicial protective order of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

We are issuing and publishing these results and notice in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2) and 19 CFR 351.221(c)(5)(ii).

Dated: September 26, 2025.

Christopher Abbott,

Deputy Assistant Secretary for Policy and Negotiations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

I. Summary
II. Background
III. Scope of the *Order*
IV. History of the *Order*
V. Legal Framework
VI. Discussion of the Issues
  1. Likelihood of Continuation or Recurrence of Dumping
  2. Magnitude of the Margins of Dumping Likely to Prevail
VII. Final Results of Sunset Review
VIII. Recommendation

[FR Doc. 2025–19410 Filed 10–2–25; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

Initiation of Five-Year (Sunset) Reviews

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: In accordance with the Tariff Act of 1930, as amended (the Act), the U.S. Department of Commerce (Commerce) is automatically initiating the five-year reviews (Sunset Reviews) of the antidumping duty (AD) and countervailing duty (CVD) orders and suspended investigations listed below. The U.S. International Trade Commission (ITC) is publishing concurrently with this notice its notice of *Institution of Five-Year Reviews* which covers the same orders and suspended investigations.

DATES: Applicable October 3, 2025.

FOR FURTHER INFORMATION CONTACT: Commerce official identified in the *Initiation of Review* section below at AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230. For information from the ITC, contact Mary Messer, Office of Investigations, U.S. International Trade Commission at (202) 205–3193.

SUPPLEMENTARY INFORMATION:

Background

Commerce's procedures for the conduct of Sunset Reviews are set forth in its *Procedures for Conducting Five-Year (Sunset) Reviews of Antidumping and Countervailing Duty Orders,* 63 FR 13516 (March 20, 1998) and 70 FR 62061 (October 28, 2005). Guidance on methodological or analytical issues relevant to Commerce's conduct of Sunset Reviews is set forth in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification,* 77 FR 8101 (February 14, 2012).

Initiation of Review

In accordance with section 751(c) of the Act and 19 CFR 351.218(c), we are initiating the Sunset Reviews of the following AD and CVD orders and suspended investigations:

[3] *See* IWC's Letter, ''Calcium Hypochlorite from China: Notice of Intent to Participate,'' dated June 17, 2025.

[4] *Id.* at 2.

[5] *See* Commerce's Letter, ''Sunset Reviews Initiated on June 2, 2025,'' dated July 1, 2025.

[6] *See* IWC's Letter, ''Antidumping and Countervailing Duty Orders on Calcium Hypochlorite from the People's Republic of China—Substantive Response to the Notice of Initiation,'' dated July 2, 2025.

[7] *See* Commerce's Letter, ''Sunset Review Initiated on June 2, 2025,'' dated July 21, 2025

[8] *See* Memorandum, ''Issues and Decision Memorandum for the Final Results of the Expedited Second Sunset Review of the Antidumping Duty Order on Calcium Hypochlorite from the People's Republic of China'' dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

[9] *Id.*

[10] *Id.* at 9.

Commerce case No.	ITC case No.	Country	Product	Commerce contact
Antidumping Duty Proceedings				
A–351–837 ...	731–TA–1024	Brazil	Prestressed Concrete Steel Wire Strand (4th Review) ...	Mary Kolberg, (202) 482–1785.
A–570–992 ...	731–TA–1229	China	Monosodium Glutamate (2nd Review)	Thomas Martin, (202) 482–3938.
A–570–887 ...	731–TA–1046	China	Tetrahydrofurfuryl Alcohol (4th Review)	Mary Kolberg, (202) 482–1785.
A–533–848 ...	731–TA–1155	India	Commodity Matchbooks (3rd Review)	Mary Kolberg, (202) 482–1785.
A–533–828 ...	731–TA–1025	India	Prestressed Concrete Steel Wire Strand (4th Review) ...	Mary Kolberg, (202) 482–1785.
A–560–826 ...	731–TA–1230	Indonesia	Monosodium Glutamate (2nd Review)	Thomas Martin, (202) 482–3938.
A–588–068 ...	AA1921–188	Japan	Prestressed Concrete Steel Wire Strand (6th Review) ...	Mary Kolberg, (202) 482–1785.
A–201–831 ...	731–TA–1027	Mexico	Prestressed Concrete Steel Wire Strand (4th Review) ...	Mary Kolberg, (202) 482–1785.
A–580–852 ...	731–TA–1026	South Korea	Prestressed Concrete Steel Wire Strand (4th Review) ...	Mary Kolberg, (202) 482–1785.
A–549–820 ...	731–TA–1028	Thailand	Prestressed Concrete Steel Wire Strand (4th Review) ...	Mary Kolberg, (202) 482–1785.
Countervailing Duty Proceedings				
C–533–849 ..	701–TA–459	India	Commodity Matchbooks (3rd Review)	Thomas Martin, (202) 482–3938.
C–533–829 ..	701–TA–432	India	Prestressed Concrete Steel Wire Strand (4th Review) ...	Mary Kolberg, (202) 482–1785.

Filing Information

As a courtesy, we are making information related to sunset proceedings, including copies of the pertinent statute and Commerce's regulations, Commerce's schedule for Sunset Reviews, a listing of past revocations and continuations, and current service lists, available to the public on Commerce's website at the following address: *https://enforcement.trade.gov/sunset/.* All submissions in these Sunset Reviews must be filed in accordance with Commerce's regulations regarding format, translation, and service of documents. These rules, including electronic filing requirements via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS), can be found at 19 CFR 351.303.

In accordance with section 782(b) of the Act, any party submitting factual information in an AD/CVD proceeding must certify to the accuracy and completeness of that information. Parties must use the certification formats provided in 19 CFR 351.303(g). Commerce intends to reject factual submissions if the submitting party does not comply with applicable revised certification requirements.

Letters of Appearance and Administrative Protective Orders

Pursuant to 19 CFR 351.103(d), Commerce will maintain and make available a public service list for these proceedings. Parties wishing to participate in any of these five-year reviews must file letters of appearance as discussed at 19 CFR 351.103(d). To facilitate the timely preparation of the public service list, it is requested that those seeking recognition as interested parties to a proceeding submit an entry of appearance within 10 days of the publication of the Notice of Initiation. Because deadlines in Sunset Reviews can be very short, we urge interested parties who want access to proprietary information under administrative protective order (APO) to file an APO application immediately following publication in the **Federal Register** of this notice of initiation. Commerce's regulations on submission of proprietary information and eligibility to receive access to business proprietary information under APO can be found at 19 CFR 351.304–306. Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.[1]

Information Required From Interested Parties

Domestic interested parties, as defined in sections 771(9)(C), (D), (E), (F), and (G) of the Act and 19 CFR 351.102(b), wishing to participate in a Sunset Review must respond not later than 15 days after the date of publication in the **Federal Register** of this notice of initiation by filing a notice of intent to participate. The required contents of the notice of intent to participate are set forth at 19 CFR 351.218(d)(1)(ii). In accordance with Commerce's regulations, if we do not receive a notice of intent to participate from at least one domestic interested party by the 15-day deadline, Commerce will automatically revoke the order without further review.[2]

If we receive an order-specific notice of intent to participate from a domestic interested party, Commerce's regulations provide that *all parties* wishing to participate in a Sunset Review must file complete substantive responses not later than 30 days after the date of publication in the **Federal Register** of this notice of initiation. The required contents of a substantive response, on an order-specific basis, are set forth at 19 CFR 351.218(d)(3). Note that certain information requirements differ for respondent and domestic parties. Also, note that Commerce's information requirements are distinct from the ITC 's information requirements. Consult Commerce's regulations for information regarding Commerce's conduct of Sunset Reviews. Consult Commerce's regulations at 19 CFR part 351 for definitions of terms and for other general information concerning antidumping and countervailing duty proceedings at Commerce. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).[3] An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time on the day on which it is due.

In prior proceedings we have encouraged interested parties to provide an executive summary of their comments, including footnotes. In these sunset reviews, we request that interested parties provide at the beginning of their comments, an executive summary for each issue raised in their comments. Further, we request that interested parties limit their public executive summary of each issue to no more than 450 words, not including citations. We intend to use the public executive summaries as the basis of the comment summaries included in the

[1] *See Temporary Rule Modifying AD/CVD Service Requirements Due to* COVID–19, 85 FR 41363 (July 10, 2020).

[2] *See* 19 CFR 351.218(d)(1)(iii).

[3] *See Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings; Final Rule,* 88 FR 67069 (September 29, 2023).

decision memorandum that will accompany the notice to be published in the **Federal Register**. Finally, we request that interested parties include footnotes for relevant citations in the public executive summary of each issue.

Notification to Interested Parties

This notice of initiation is being published in accordance with section 751(c) of the Act and 19 CFR 351.218(c).

Dated: September 18, 2025.

Scot Fullerton,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. 2025–19420 Filed 10–2–25; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[RTID 0648–XF204]

Mid-Atlantic Fishery Management Council (MAFMC); Public Meeting

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of public meeting.

SUMMARY: The Mid-Atlantic Fishery Management Council's Mackerel, Squid, and Butterfish Monitoring Committee will hold two public meetings.

DATES: The first meeting will be held on Friday, November 7, 2025, from 11 a.m.–1 p.m. The second meeting will be held on Wednesday, November 12, 2025, from 9 a.m.–11 a.m. For agenda details, see **SUPPLEMENTARY INFORMATION**.

ADDRESSES: The meetings will be held via webinar. Connection information will be posted to the Council's calendar prior to the meeting at *www.mafmc.org.*

Council address: Mid-Atlantic Fishery Management Council, 800 N State Street, Suite 201, Dover, DE 19901; telephone: (302) 674–2331; *www.mafmc.org.*

FOR FURTHER INFORMATION CONTACT: Christopher M. Moore, Ph.D., Executive Director, Mid-Atlantic Fishery Management Council, telephone: (302) 526–5255.

SUPPLEMENTARY INFORMATION: The Mid-Atlantic Fishery Management Council's Mackerel, Squid, and Butterfish Monitoring Committee will meet via webinar Friday, November 7, 2025, from 11 a.m. until 1 p.m. and on Wednesday, November 12, 2025, from 9 a.m. until 11 a.m. The purpose of these meetings is for the Monitoring Committee to provide advice regarding the framework adjustment action on Atlantic mackerel that would set 2026–2027 specifications/management measures and may adjust the stock's rebuilding approach.

The meeting is physically accessible to people with disabilities. Requests for sign language interpretation or other auxiliary aids should be directed to Shelley Spedden, (302) 526–5251 at least 5 days prior to the meeting date.

Authority: 16 U.S.C. 1801 *et seq.*

Dated: September 30, 2025.

Becky J. Curtis,

Acting Deputy Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 2025–19397 Filed 10–2–25; 8:45 am]

BILLING CODE 3510–22–P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Docket ID: DoD–2025–OS–0672]

Manual for Courts-Martial; Proposed Amendments

AGENCY: Joint Service Committee on Military Justice (JSC), Department of Defense (DoD).

ACTION: Notice of availability of proposed amendments to the Manual for Courts-Martial, United States (2024 ed.), supplementary materials, and notice of public meeting.

SUMMARY: The DoD requests comments on proposed changes to the Manual for Courts-Martial (MCM), United States (2024 ed.) and announces a public meeting to receive comments. The approval authority for the changes to the MCM is the President, while the approval authority for the changes to the supplementary materials is the General Counsel of the DoD.

DATES: Comments on the proposed changes must be received no later than November 17, 2025. A public meeting to receive comments concerning the proposed changes will be held on October 7, 2025, at 1:00 p.m. in the Court of Appeals of the Armed Forces building, 450 E St. NW, Washington, DC 20442–0001 with an option for remote attendance. Details on remote attendance will be posted at least 7 days in advance of the meeting at *https://jsc.defense.gov/Military-Law/Current-Publications-and-Updates/*.

ADDRESSES: The proposed changes to the MCM (2024 ed.) can be reviewed at *https://jsc.defense.gov/Military-Law/Current-Publications-and-Updates/*. You may submit comments, identified by docket number and title, by any of the following methods:

- *Federal eRulemaking Portal: http://www.regulations.gov*. Follow the instructions for submitting comments.
- *Mail:* Department of Defense, Office of the Assistant to the Secretary of Defense for Privacy, Civil Liberties, and Transparency, Regulatory Directorate, 4800 Mark Center Drive, Mailbox #24, Suite 05F16, Alexandria, VA 22350–1700.
- *JSC Portal: http://jsc.defense.gov/Contact*. Follow the instructions for submitting comments.

Instructions: All submissions received must include the agency name and docket number for this **Federal Register** document. The general policy for comments and other submissions from members of the public is to make these submissions available for public viewing on the internet at *http://www.regulations.gov* as they are received without change, including any personal identifiers or contact information.

FOR FURTHER INFORMATION CONTACT: Major Douglas L. Germano, U.S. Marine Corps, Executive Secretary, JSC, (703) 693–8901, *douglas.l.germano.mil@usmc.mil*. The JSC website is located at *http://jsc.defense.gov*.

SUPPLEMENTARY INFORMATION: These proposed changes have not been coordinated within the DoD under DoD Directive 5500.01, ''Preparing, Processing and Coordinating Legislation, Executive Orders, Proclamations, Views Letters, and Testimony,'' June 15, 2007, and do not constitute the official position of the DoD, the Military Departments, or any other Government agency. This notice is provided in accordance with DoD Instruction 5500.17, ''Role and Responsibilities of the Joint Service Committee on Military Justice (JSC),'' February 21, 2018.

The JSC invites members of the public to comment on the proposed changes; such comments should address specific recommended changes and provide supporting rationale.

This notice also sets forth the date, time, and location for a public meeting of the JSC to discuss the proposed changes.

This notice is intended only to improve the internal management of the Federal Government. It is not intended to create any right or benefit, substantive or procedural, enforceable at law by any party against the United States, its agencies, its officers, or any person.

Dated: September 30, 2025.

Aaron T. Siegel,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

[FR Doc. 2025–19383 Filed 10–2–25; 8:45 am]

BILLING CODE 6001–FR–P

DEPARTMENT OF EDUCATION

Membership of the Performance Review Board

AGENCY: Office of Finance and Operations, Department of Education.

ACTION: Notice.

SUMMARY: The Secretary publishes a list of persons who may be named to serve on the Performance Review Board that oversees the evaluation of performance appraisals for Senior Executive Service members of the Department of Education (Department).

DATES: These appointments are effective on October 3, 2025.

FOR FURTHER INFORMATION CONTACT: Jennifer Geldhof, Director, Executive Resources Division, Office of Human Resources, Office of Finance and Operations, U.S. Department of Education, 400 Maryland Avenue SW, Room 2A142, LBJ, Washington, DC 20202–4573. Telephone: (202) 580–9669. Email: *Jennifer.Geldhof@ed.gov.*

If you are deaf, hard of hearing, or have a speech disability and wish to access telecommunications relay services, please dial 7–1–1.

SUPPLEMENTARY INFORMATION:

Membership

Under the Civil Service Reform Act of 1978, Public Law 95–454 (5 U.S.C. 4314(c)(4)), the Department must publish in the **Federal Register** a list of persons who may be named to serve on the Performance Review Board that oversees the evaluation of performance appraisals for Senior Executive Service members of the Department. The following persons may be named to serve on the Performance Review Board:

CLAY, JACQUELINE
CANTRELL, DAVID
RILEY, MARY CHRISTINA
ROSIER, CHRISTOPHER
SMITH, RICHARD
TEMIQUEL, MARIA
TRUMP, CHERISE
WASHINGTON, MARK

Accessible Format: On request to the program contact person listed under **FOR FURTHER INFORMATION CONTACT**, individuals with disabilities can obtain this document in an accessible format. The Department will provide the requestor with an accessible format that may include Rich Text Format (RTF) or text format (txt), a thumb drive, an MP3 file, Braille, large print, audiotape, compact disc, or other accessible format.

Electronic Access to This Document: The official version of this document is the document published in the **Federal Register**. You may access the official edition of the **Federal Register** and the Code of Federal Regulations at *www.govinfo.gov.* At this site you can view this document, as well as all other Department documents published in the **Federal Register**, in text or Portable Document Format (PDF). To use PDF, you must have Adobe Acrobat Reader, which is available free at the site.

You may also access Department documents published in the **Federal Register** by using the article search feature at *www.federalregister.gov.* Specifically, through the advanced search feature at this site, you can limit your search to documents published by the Department.

Signing Authority

This document of the U.S. Department of Education was signed on September 30, 2025, by Linda E. McMahon, U.S. Secretary of Education. That document with the original signature and date is maintained by the U.S. Department of Education. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned has been authorized to sign the document in electronic format for publication, as an official document of the U.S. Department of Education. This administrative process in no way alters the legal effect of this document upon publication in the **Federal Register**.

Tracey St. Pierre,

Director, Office of the Executive Secretariat, Office of the Secretary, U.S. Department of Education.

[FR Doc. 2025–19427 Filed 10–2–25; 8:45 am]

BILLING CODE 4000–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 18–017]

Idaho Power Company; Notice of Application Accepted for Amendment Filing, Soliciting Comments, Motions To Intervene, and Protests

Take notice that the following hydroelectric application has been filed with the Commission and is available for public inspection:

a. *Application Type:* Non-Capacity Amendment of License.

b. *Project No:* 18–017.

c. *Date Filed:* December 16, 2024.

d. *Applicant:* Idaho Power Company.

e. *Name of Project:* Twin Falls Hydroelectric Project.

f. *Location:* The project is located on the Snake River in Jerome and Twin Falls counties, Idaho, and occupies federal land managed by the Bureau of Land Management.

g. *Filed Pursuant to:* Federal Power Act, 16 U.S.C. 791a–825r.

h. *Applicant Contact:* Brett Dumas, 1220 Idaho Street Boise, ID 83702, (208) 388–2330, *bdumas@idahopower.com.*

i. *FERC Contact:* Sophie Katz, (202) 502–8216, *sophia.katz@ferc.gov.*

j. *Cooperating agencies:* With this notice, the Commission is inviting federal, state, local, and Tribal agencies with jurisdiction and/or special expertise with respect to environmental issues affected by the proposal, that wish to cooperate in the preparation of any environmental document, if applicable, to follow the instructions for filing such requests described in item l below. Cooperating agencies should note the Commission's policy that agencies that cooperate in the preparation of any environmental document cannot also intervene. *See* 94 FERC ¶ 61,076 (2001).

k. *Deadline for filing comments, motions to intervene, and protests:* October 29, 2025.

The Commission strongly encourages electronic filing. Please file comments, motions to intervene, and protests using the Commission's eFiling system at *http://www.ferc.gov/docs-filing/efiling.asp.* Commenters can submit brief comments up to 6,000 characters, without prior registration, using the eComment system at *http://www.ferc.gov/docs-filing/ecomment.asp.* For assistance, please contact FERC Online Support at *FERCOnlineSupport@ferc.gov,* (866) 208–3676 (toll free), or (202) 502–8659 (TTY). In lieu of electronic filing, you may submit a paper copy. Submissions sent via the U.S. Postal Service must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Room 1A, Washington, DC 20426. Submissions sent via any other carrier must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852. The first page of any filing should include the docket number P–18–017. Comments emailed to Commission staff are not considered part of the Commission record.

The Commission's Rules of Practice and Procedure require all intervenors filing documents with the Commission to serve a copy of that document on each person whose name appears on the official service list for the project. Further, if an intervenor files comments or documents with the Commission relating to the merits of an issue that may affect the responsibilities of a particular resource agency, they must also serve a copy of the document on that resource agency.

l. *Description of Request:* The applicant proposes to amend Article 410 of the project license, which requires the licensee to maintain 300 cubic feet per second aesthetic flows over Twin Falls from 8:00 a.m. to 30 minutes after sunset each day, 7 days a week, April 1 through August 31, and 8:00 a.m. to 30 minutes after sunset every Saturday and Sunday and on all holidays, September 1 through March 31. The applicant proposes to install a control button at the Twin Falls overlook in which members of the public viewing the falls can initiate the aesthetic flows at any point from 8:00 a.m. to 30 minutes after sunset each day, 7 days a week, April 1 through August 31, and 8:00 a.m. to 30 minutes after sunset every Saturday and Sunday and on all holidays, September 1 through March 31. The applicant proposes to maintain the aesthetic flows over Twin Falls once initiated until 30 minutes after sunset within the described schedule. As proposed, if a viewer does not initiate flows during any time before 30 minutes after sunset any given day during the described schedule, no flows would occur for the day.

m. *Locations of the Application:* This filing may be viewed on the Commission's website at *http://www.ferc.gov* using the ''eLibrary'' link. Enter the docket number excluding the last three digits in the docket number field to access the document. You may also register online at *http://www.ferc.gov/docs-filing/esubscription.asp* to be notified via email of new filings and issuances related to this or other pending projects. For assistance, call 1–866–208–3676 or email *FERCOnlineSupport@ferc.gov,* for TTY, call (202) 502–8659. Agencies may obtain copies of the application directly from the applicant.

n. Individuals desiring to be included on the Commission's mailing list should so indicate by writing to the Secretary of the Commission.

o. *Comments, Protests, or Motions to Intervene:* Anyone may submit comments, a protest, or a motion to intervene in accordance with the requirements of Rules of Practice and Procedure, 18 CFR 385.210, .211, .214, respectively. In determining the appropriate action to take, the Commission will consider all protests or other comments filed, but only those who file a motion to intervene in accordance with the Commission's Rules may become a party to the proceeding. Any comments, protests, or motions to intervene must be received on or before the specified comment date for the particular application.

p. *Filing and Service of Documents:* Any filing must (1) bear in all capital letters the title ''COMMENTS'', ''PROTEST'', or ''MOTION TO INTERVENE'' as applicable; (2) set forth in the heading the name of the applicant and the project number of the application to which the filing responds; (3) furnish the name, address, and telephone number of the person commenting, protesting or intervening; and (4) otherwise comply with the requirements of 18 CFR 385.2001 through 385.2005. All comments, motions to intervene, or protests must set forth their evidentiary basis. Any filing made by an intervenor must be accompanied by proof of service on all persons listed in the service list prepared by the Commission in this proceeding, in accordance with 18 CFR 385.2010.

q. The Commission's Office of Public Participation (OPP) supports meaningful public engagement and participation in Commission proceedings. OPP can help members of the public, including landowners, Tribal members, and others, access publicly available information and navigate Commission processes. For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, the public is encouraged to contact OPP at (202) 502–6595 or *OPP@ferc.gov.*

Dated: September 29, 2025.

Debbie-Anne A. Reese,

Secretary.

[FR Doc. 2025–19424 Filed 10–2–25; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. CP25–550–000]

Florida Gas Transmission Company, LLC; Notice of Request Under Blanket Authorization and Establishing Intervention and Protest Deadline

Take notice that on September 19, 2025, Florida Gas Transmission Company, LLC (FGT), 1300 Main St., Houston, Texas 77002, filed in the above referenced docket, a prior notice request pursuant to sections 157.205 and 157.208(f)(2) of the Commission's regulations under the Natural Gas Act (NGA), and FGT's blanket certificate issued in Docket No. CP82–553–000, for authorization to reduce the permanent Maximum Allowable Operating Pressure (MAOP) of FGT's Madison Lateral. All of the above facilities are located in Lafayette and Madison Counties, Florida (Madison Lateral MAOP Reduction Project). The project will allow FGT to maintain compliance with Pipeline and Hazardous Materials Safety Administration (PHMSA) regulations, and provide more efficient operations, all as more fully set forth in the request which is on file with the Commission and open to public inspection.

In addition to publishing the full text of this document in the **Federal Register**, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the internet through the Commission's Home Page (*http://www.ferc.gov*). From the Commission's Home Page on the internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

User assistance is available for eLibrary and the Commission's website during normal business hours from FERC Online Support at (202) 502–6652 (toll free at 1–866–208–3676) or email at *ferconlinesupport@ferc.gov,* or the Public Reference Room at (202) 502–8371, TTY (202) 502–8659. Email the Public Reference Room at *public.referenceroom@ferc.gov.*

Any questions concerning this request should be directed to Iain Russell, Senior Manager of Certificates, Florida Gas Transmission Company, LLC, 1300 Main St., Houston, Texas 77210, by phone at (713) 989–2615, or by email at *iain.russell@energytransfer.com.*

Public Participation

There are three ways to become involved in the Commission's review of this project: you can file a protest to the project, you can file a motion to intervene in the proceeding, and you can file comments on the project. There is no fee or cost for filing protests, motions to intervene, or comments. The deadline for filing protests, motions to

intervene, and comments is 5:00 p.m. Eastern Time on November 28, 2025. How to file protests, motions to intervene, and comments is explained below.

The Commission's Office of Public Participation (OPP) supports meaningful public engagement and participation in Commission proceedings. OPP can help members of the public, including landowners, community organizations, Tribal members and others, access publicly available information and navigate Commission processes. For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, the public is encouraged to contact OPP at (202) 502–6595 or *OPP@ferc.gov.*

Protests

Pursuant to section 157.205 of the Commission's regulations under the NGA,[1] any person [2] or the Commission's staff may file a protest to the request. If no protest is filed within the time allowed or if a protest is filed and then withdrawn within 30 days after the allowed time for filing a protest, the proposed activity shall be deemed to be authorized effective the day after the time allowed for protest. If a protest is filed and not withdrawn within 30 days after the time allowed for filing a protest, the instant request for authorization will be considered by the Commission.

Protests must comply with the requirements specified in section 157.205(e) of the Commission's regulations,[3] and must be submitted by the protest deadline, which is 5:00 p.m. Eastern Time on November 28, 2025. A protest may also serve as a motion to intervene so long as the protestor states it also seeks to be an intervenor.

Interventions

Any person has the option to file a motion to intervene in this proceeding. Only intervenors have the right to request rehearing of Commission orders issued in this proceeding and to subsequently challenge the Commission's orders in the U.S. Circuit Courts of Appeal.

To intervene, you must submit a motion to intervene to the Commission in accordance with Rule 214 of the Commission's Rules of Practice and Procedure [4] and the regulations under the NGA [5] by the intervention deadline for the project, which is 5:00 p.m. Eastern Time on November 28, 2025. As described further in Rule 214, your motion to intervene must state, to the extent known, your position regarding the proceeding, as well as your interest in the proceeding. For an individual, this could include your status as a landowner, ratepayer, resident of an impacted community, or recreationist. You do not need to have property directly impacted by the project in order to intervene. For more information about motions to intervene, refer to the FERC website at *https://www.ferc.gov/resources/guides/how-to/intervene.asp.*

All timely, unopposed motions to intervene are automatically granted by operation of Rule 214(c)(1). Motions to intervene that are filed after the intervention deadline are untimely and may be denied. Any late-filed motion to intervene must show good cause for being late and must explain why the time limitation should be waived and provide justification by reference to factors set forth in Rule 214(d) of the Commission's Rules and Regulations. A person obtaining party status will be placed on the service list maintained by the Secretary of the Commission and will receive copies (paper or electronic) of all documents filed by the applicant and by all other parties.

Comments

Any person wishing to comment on the project may do so. The Commission considers all comments received about the project in determining the appropriate action to be taken. To ensure that your comments are timely and properly recorded, please submit your comments on or before *5:00 p.m.* Eastern Time on November 28, 2025. *The filing of a comment alone will not serve to make the filer a party to the proceeding.* To become a party, you must intervene in the proceeding.

How To File Protests, Interventions, and Comments

There are two ways to submit protests, motions to intervene, and comments. In both instances, please reference the Project docket number CP25–550–000 in your submission.

(1) You may file your protest, motion to intervene, and comments by using the Commission's eFiling feature, which is located on the Commission's website (*www.ferc.gov*) under the link to Documents and Filings. New eFiling users must first create an account by clicking on ''eRegister.'' You will be asked to select the type of filing you are making; first select ''General'' and then select ''Protest'', ''Intervention'', or ''Comment on a Filing''; or [6]

(2) You can file a paper copy of your submission by mailing it to the address below. Your submission must reference the Project docket number CP25–550–000.

To file via USPS: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426.

To file via any other method: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852.

The Commission encourages electronic filing of submissions (option 1 above) and has eFiling staff available to assist you at (202) 502–8258 or *FercOnlineSupport@ferc.gov.*

Protests and motions to intervene must be served on the applicant either by mail at: Iain Russell, Senior Manager of Certificates, 1300 Main St., Houston, Texas 77210–4967, or by email (with a link to the document) at *iain.russell@energytransfer.com.* Any subsequent submissions by an intervenor must be served on the applicant and all other parties to the proceeding. Contact information for parties can be downloaded from the service list at the eService link on FERC Online.

Tracking the Proceeding

Throughout the proceeding, additional information about the project will be available from the Commission's Office of External Affairs, at (866) 208–FERC, or on the FERC website at *www.ferc.gov* using the ''eLibrary'' link as described above. The eLibrary link also provides access to the texts of all formal documents issued by the Commission, such as orders, notices, and rulemakings.

In addition, the Commission offers a free service called eSubscription which allows you to keep track of all formal issuances and submittals in specific dockets. This can reduce the amount of time you spend researching proceedings by automatically providing you with notification of these filings, document summaries, and direct links to the documents. For more information and to register, go to *www.ferc.gov/docs-filing/esubscription.asp.*

[1] 18 CFR 157.205.

[2] Persons include individuals, organizations, businesses, municipalities, and other entities. 18 CFR 385.102(d).

[3] 18 CFR 157.205(e).

[4] 18 CFR 385.214.

[5] 18 CFR 157.10.

[6] Additionally, you may file your comments electronically by using the eComment feature, which is located on the Commission's website at *www.ferc.gov* under the link to Documents and Filings. Using eComment is an easy method for interested persons to submit brief, text-only comments on a project.

Dated: September 29, 2025.

Debbie-Anne A. Reese,

Secretary.

[FR Doc. 2025–19422 Filed 10–2–25; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 3342–025]

Briar Hydro Associates; Notice of Availability of Environmental Assessment

In accordance with the National Environmental Policy Act of 1969 and the Federal Energy Regulatory Commission's (Commission) regulations, 18 CFR part 380, the Office of Energy Projects has reviewed the application for a new license to continue to operate and maintain the Penacook Lower Falls Hydroelectric Project No. 3342. The project is located on the Contoocook River in Merrimack County, New Hampshire. Commission staff have prepared an Environmental Assessment (EA) for the project.[1]

The EA contains staff analysis of the potential environmental impacts of the project and concludes that licensing the project, with appropriate environmental protective measures, would not constitute a major federal action that would significantly affect the quality of the human environment.

The Commission provides all interested persons with an opportunity to view and/or print the EA via the internet through the Commission's Home Page (*http://www.ferc.gov/*), using the ''eLibrary'' link. Enter the docket number, excluding the last three digits in the docket number field, to access the document. For assistance, contact FERC Online Support at *FERCOnlineSupport@ferc.gov,* or at (866) 208–3676 (toll-free), or (202) 502–8659 (TTY).

You may also register online at *https://ferconline.ferc.gov/FERCOnline.aspx* to be notified via email of new filings and issuances related to this or other pending projects. For assistance, contact FERC Online Support.

Any comments should be filed on or before 5:00 p.m. Eastern Time on October 29, 2025.

The Commission strongly encourages electronic filing. Please file comments using the Commission's eFiling system at *https://ferconline.ferc.gov/FERCOnline.aspx.* Commenters can submit brief comments up to 6,000 characters, without prior registration, using the eComment system at *https://ferconline.ferc.gov/QuickComment.aspx.* For assistance, please contact FERC Online Support. In lieu of electronic filing, you may submit a paper copy. Submissions sent via the U.S. Postal Service must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Room 1A, Washington, DC 20426. Submissions sent via any other carrier must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852. The first page of any filing should include docket number P–3342–025.

For further information, contact Jeanne Edwards at (202) 502–6181 or by email at *jeanne.edwards@ferc.gov.*

Dated: September 29, 2025.

Debbie-Anne A. Reese,

Secretary.

[FR Doc. 2025–19425 Filed 10–2–25; 8:45 am]

BILLING CODE 6717–01–P

[1] For tracking purposes under the National Environmental Policy Act, the unique identification number for documents relating to this environmental review is EAXX–019–20–000–1729248238.

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. EL25–116–000]

Oregon Clean Energy, LLC; Notice of Institution of Section 206 Proceeding and Refund Effective Date

On September 29, 2025, the Commission issued an order in Docket No. EL25–116–000 pursuant to section 206 of the Federal Power Act (FPA), 16 U.S.C. 824e, instituting an investigation to determine whether Oregon Clean Energy, LLC's Rate Schedule is unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful. *Oregon Clean Energy, LLC,* 192 FERC ¶ 61,254 (2025).

The refund effective date in Docket No. EL25–116–000, established pursuant to section 206(b) of the FPA, will be the date of publication of this notice in the **Federal Register**.

Any interested person desiring to be heard in Docket No. EL25–116–000 must file a notice of intervention or motion to intervene, as appropriate, with the Federal Energy Regulatory Commission, in accordance with Rule 214 of the Commission's Rules of Practice and Procedure, 18 CFR 385.214 (2025), within 21 days of the date of issuance of the order.

In addition to publishing the full text of this document in the **Federal Register**, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the internet through the Commission's Home Page (*http://www.ferc.gov*) using the ''eLibrary'' link. Enter the docket number excluding the last three digits in the docket number field to access the document. From FERC's Home Page on the internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field. User assistance is available for eLibrary and the FERC's website during normal business hours from FERC Online Support at 202–502–6652 (toll free at 1–866–208–3676) or email at *ferconlinesupport@ferc.gov,* or the Public Reference Room at (202) 502–8371, TTY (202) 502–8659. Email the Public Reference Room at *public.referenceroom@ferc.gov.*

The Commission strongly encourages electronic filings of comments, protests and interventions in lieu of paper using the ''eFile'' link at *http://www.ferc.gov.* In lieu of electronic filing, you may submit a paper copy. Submissions sent via the U.S. Postal Service must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Room 1A, Washington, DC 20426. Submissions sent via any other carrier must be addressed to: Debbie-Anne A. Reese, Secretary, Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, Maryland 20852.

The Commission's Office of Public Participation (OPP) supports meaningful public engagement and participation in Commission proceedings. OPP can help members of the public, including landowners, community organizations, Tribal members and others, access publicly available information and navigate Commission processes. For public inquiries and assistance with making filings such as interventions, comments, or requests for rehearing, the public is encouraged to contact OPP at (202) 502–6595 or *OPP@ferc.gov.*

Dated: September 29, 2025.

Debbie-Anne A. Reese,

Secretary.

[FR Doc. 2025–19423 Filed 10–2–25; 8:45 am]

BILLING CODE 6717–01–P

GENERAL SERVICES ADMINISTRATION

[OMB Control No. 3090–0086; Docket No. 2025–0001; Sequence No. 15]

Information Collection; General Services Administration Acquisition Regulation; Proposal To Lease Space, GSA Form 1364 and Lessor's Annual Cost Statement, GSA Form 1217

AGENCY: Office of Acquisition Policy, General Services Administration (GSA).

ACTION: Notice; request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, and the Office of Management and Budget (OMB) regulations, GSA invites the public to comment on an extension of a previously approved information collection requirement regarding OMB Control No. 3090–0086, Proposal to Lease Space, GSA Form 1364 and Lessor's Annual Cost Statement, GSA Form 1217.

DATES: Submit comments on or before December 2, 2025.

ADDRESSES: Submit comments on this information collection to *https://www.regulations.gov.* Submit comments via the Federal eRulemaking portal by searching for ''Information Collection 3090–0086''. Select the link ''Comment Now'' that corresponds with Information Collection 3090–0086. Follow the instructions provided at the ''Comment Now'' screen. Please include your name, company name (if any), and ''Information Collection 3090–0086'' on your attached document.

Instructions: Please submit comments only and cite ''Information Collection 3090–0086'' in all correspondence related to this collection. Comments received generally will be posted without change to *regulations.gov,* including any personal and/or business confidential information provided. To confirm receipt of your comment(s), please check *regulations.gov* approximately two-to-three days after submission to verify posting.

FOR FURTHER INFORMATION CONTACT: Ms. Amy Lara, 816–589–3783, General Services Acquisition Policy Division, by email at *gsarpolicy@gsa.gov.*

SUPPLEMENTARY INFORMATION:

A. Purpose

The information collected is used by contracting officers to evaluate lease proposals and negotiate lease contract terms and conditions in a competitive or non-competitive environment. As this information is still currently required, GSA seeks to have this information collection extended for three years.

B. Annual Reporting Burden

Public reporting burden for Proposal to Lease Space, GSA Form 1364 and Lessor's Annual Cost Statement, GSA Form 1217, is estimated to average 3.225 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The annual reporting burden is estimated as follows:

Total annual responses: 1,332.

Preparation hours per response: 3.225.

Total response burden hours: 5,095.

C. Public Comments

Public comments are particularly invited on: Whether this collection of information is necessary; whether it will have practical utility; whether our estimate of the public burden of this collection of information is accurate, and based on valid assumptions and methodology; ways to enhance the quality, utility, and clarity of the information to be collected; and ways in which we can minimize the burden of the collection of information on those who are to respond, through the use of appropriate technological collection techniques or other forms of information technology.

Obtaining Copies of Proposals: Requesters may obtain a copy of the information collection documents from the GSA Regulatory Secretariat Division, by calling 202–501–4755 or emailing *GSARegSec@gsa.gov.* Please cite ''OMB Control No. 3090–0086, Proposal to Lease Space, GSA Form 1364 and Lessor's Annual Cost Statement, GSA Form 1217'', in all correspondence.

Jeffrey A. Koses,

Senior Procurement Executive, Office of Acquisition Policy, Office of Government-wide Policy.

[FR Doc. 2025–19395 Filed 10–2–25; 8:45 am]

BILLING CODE;P

GENERAL SERVICES ADMINISTRATION

[OMB Control No. 3090–0326; Docket No. 2025–0001; Sequence No. 10]

Submission for OMB Review; General Services Administration Regulation; Construction Payrolls and Basic Records

AGENCY: Office of Acquisition Policy, General Services Administration (GSA).

ACTION: Notice; request for comments.

SUMMARY: Under the provisions of the Paperwork Reduction Act, the Regulatory Secretariat Division will be submitting to the Office of Management and Budget (OMB) a request to review and approve the renewal of an existing information collection.

DATES: Submit comments on or before November 3, 2025.

ADDRESSES: Written comments and recommendations for this information collection should be sent within 30 days of publication of this notice to *www.reginfo.gov/public/do/PRAMain.* Find this particular information collection by selecting ''Currently under Review—Open for Public Comments'' or by using the search function.

FOR FURTHER INFORMATION CONTACT: Ms. Johnie McDowell, Senior Procurement Analyst, GSA, at telephone 202–718–6112 or via email at *gsarpolicy@gsa.gov* for clarification of content.

SUPPLEMENTARY INFORMATION:

A. Purpose

The Federal Acquisition Regulation (FAR) Clause 52.222–8 Payrolls and Basic Records requires United States construction contracts in excess of $2,000 to submit weekly for each week in which any contract work is performed a copy of all payrolls to the Contracting Officer. The clause allows contractors to submit the required weekly payroll information using the DOL WH–347 form or any other form desired. GSA deviated from the FAR clause to allow these construction contractors to use an electronic means to submit the required weekly payroll data. The proposed revision will increase the efficiency of the weekly payroll certification process for the contractor, GSA and the contractor's employee through the use of an automated process. The current manual process for reviewing weekly certified payroll data requires an enormous amount of labor hours and has a large probability of human error, *i.e.,* non-identification or delayed identification of errors in pay for covered workers. Delays in identifying payroll errors are costly to the contractor who will need to pay retroactive wage adjustments and the employee will have suffered reduced economic purchase power due to the error in wages.

B. Annual Reporting Burden

GSA bases the following burden estimates for certified payrolls on *SAM.gov* reports for Fiscal Year 2023. The report indicated 182 construction contractors for GSA projects were subject to the Davis-Bacon or Related Act. GSA's automation of the data collection process will not increase the existing data collection burden from the

DOL Wage and Hour Division (WHD) the Office of Management and Budget (OMB) Information Control No. 1235–0008, Davis-Bacon Certified Payroll or 1235–0018, Records to be kept by Employers—Fair Labor Standards Act.

Respondents: 182 (170 prime contractors plus 12 subcontractors).

Responses per Respondent: 52 (1 for each week of the year).

Total Annual Responses: 9,464 (182 respondents × 52 responses).

Hours per Response: 33 minutes (weighted average of 56 minutes (DOL estimated time to input information plus 1 minute recordkeeping for initial entry) + 31 minutes (estimated time to certify payroll in new system plus 1 minute recordkeeping).

Total Burden Hours: 5,205 (9,464 annual responses × 33 minutes)/60 minutes).

C. Public Comments

A 60-day notice published in the **Federal Register** at 90 FR 33949 on July 18, 2025. No comments were received.

Obtaining Copies of Proposals: Requesters may obtain a copy of the information collection documents from the Regulatory Secretariat Division by calling 202–501–4755 or emailing *GSARegSec@gsa.gov.* Please cite OMB Control No. 3090–0326, Construction Payrolls and Basic Records, in all correspondence.

Jeffrey A. Koses,

Senior Procurement Executive, Office of Acquisition Policy, Office of Government-wide Policy.

[FR Doc. 2025–19396 Filed 10–2–25; 8:45 am]

BILLING CODE 6820–61–P

OFFICE OF GOVERNMENT ETHICS

Updated OGE Senior Executive Service Performance Review Board

AGENCY: Office of Government Ethics (OGE).

ACTION: Notice.

SUMMARY: Notice is hereby given of the appointment of members to the OGE Senior Executive Service (SES) Performance Review Board.

DATES: *Effective date:* October 3, 2025.

FOR FURTHER INFORMATION CONTACT: Shelley K. Finlayson, Chief of Staff and Chief Counsel, U. S. Office of Government Ethics, 250 E Street SW, Suite 750, Washington, DC 20024; Telephone: 202–482–9314; TYY: 800–877–8339; FAX: 202–482–9237.

SUPPLEMENTARY INFORMATION: Federal law at 5 U.S.C. 4314(c) requires each agency to establish, in accordance with regulations prescribed by the Office of Personnel Management at 5 CFR part 430, subpart C and § 430.310 thereof in particular, one or more SES performance review boards. As a small executive branch agency, OGE has just one board. To ensure an adequate level of staffing and to avoid a constant series of recusals, the designated members of OGE's SES Performance Review Board are being drawn, as in the past, in large measure from the ranks of other executive branch agencies. The board shall review and evaluate the initial appraisal of each OGE senior executive's performance by his or her supervisor, along with any recommendations in each instance to the appointing authority relative to the performance of the senior executive. This notice updates the membership of OGE's SES Performance Review Board as it was most recently published at 89 FR 81530 (October 8, 2024).

The following officials have been appointed to the SES Performance Review Board of OGE: Katherine Easmunt, Chief Ethics Counsel, National Credit Union Administration; Stuart Bender, Director, USDA Office of Ethics, U.S. Department of Agriculture; and Natalie A. Bonanno, Associate General Counsel and Chief Ethics Compliance Officer, U.S. Postal Service.

Authority: 5 U.S.C. 4314(c)(4).

Approved: September 30, 2025.

Shelley K. Finlayson,

Chief of Staff and Chief Counsel, Office of Government Ethics.

[FR Doc. 2025–19442 Filed 10–2–25; 8:45 am]

BILLING CODE 6345–04–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA–2025–N–2422]

Teva Branded Pharmaceutical Products R&D, Inc., et al.; Withdrawal of Approval of 39 New Drug Applications; Correction

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice; correction.

SUMMARY: The Food and Drug Administration (FDA) is correcting a notice that appeared in the **Federal Register** on August 4, 2025 (90 FR 36440). The document announced the withdrawal of approval of 39 new drug applications (NDA) from multiple applicants, withdrawn as of September 3, 2025. The document erroneously included NDA number 021290. The correct NDA number is 020212 for Zinecard (dexrazoxane hydrochloric acid (HCl)) Injectable, equivalent to (EQ) 250 milligrams (mg) base/vial and EQ 500 mg base/vial. This document corrects that error.

FOR FURTHER INFORMATION CONTACT: Kimberly Lehrfeld, Center for Drug Evaluation and Research, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 51, Rm. 6250, Silver Spring, MD 20993–0002, 301–796–3137, *Kimberly.Lehrfeld@fda.hhs.gov.*

SUPPLEMENTARY INFORMATION: In the **Federal Register** issue published August 4, 2025 (90 FR 36440), the NDA number for Zinecard (dexrazoxane HCl) Injectable, EQ 250 mg base/vial and EQ 500 mg base/vial is corrected to 020212.

Grace R. Graham,

Deputy Commissioner for Policy, Legislation, and International Affairs.

[FR Doc. 2025–19440 Filed 10–2–25; 8:45 am]

BILLING CODE 4164–01–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731–TA–1125 (Third Review)]

Electrolytic Manganese Dioxide From China; Scheduling of an Expedited Five-Year Review

AGENCY: United States International Trade Commission.

ACTION: Notice.

SUMMARY: The Commission hereby gives notice of the scheduling of an expedited review pursuant to the Tariff Act of 1930 (''the Act'') to determine whether revocation of the antidumping duty order on electrolytic manganese dioxide from China would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.

DATES: September 5, 2025.

FOR FURTHER INFORMATION CONTACT: Laurel Schwartz (202–205–2398), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (*https://*

www.usitc.gov). The public record for this proceeding may be viewed on the Commission's electronic docket (EDIS) at *https://edis.usitc.gov.*

SUPPLEMENTARY INFORMATION:

Background.—On September 5, 2025, the Commission determined that the domestic interested party group response to its notice of institution (90 FR 23367, June 2, 2025) of the subject five-year review was adequate and that the respondent interested party group response was inadequate. The Commission did not find any other circumstances that would warrant conducting a full review.[1] Accordingly, the Commission determined that it would conduct an expedited review pursuant to section 751(c)(3) of the Act (19 U.S.C. 1675(c)(3)).

For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A and B (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

Staff report.—A staff report containing information concerning the subject matter of the review has been placed in the nonpublic record, and will be made available to persons on the Administrative Protective Order service list for this review on October 30, 2025. A public version will be issued thereafter, pursuant to § 207.62(d)(4) of the Commission's rules.

Written submissions.—As provided in § 207.62(d) of the Commission's rules, interested parties that are parties to the review and that have provided individually adequate responses to the notice of institution,[2] and any party other than an interested party to the review may file written comments with the Secretary on what determination the Commission should reach in the review. Comments are due on or before 5:15 p.m. on November 5, 2025, and may not contain new factual information. Any person that is neither a party to the five-year review nor an interested party may submit a brief written statement (which shall not contain any new factual information) pertinent to the review by November 5, 2025. However, should the Department of Commerce (''Commerce'') extend the time limit for its completion of the final results of its review, the deadline for comments (which may not contain new factual information) on Commerce's final results is three business days after the issuance of Commerce's results. If comments contain business proprietary information (BPI), they must conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's *Handbook on Filing Procedures,* available on the Commission's website at *https://www.usitc.gov/documents/handbook_on_filing_procedures.pdf,* elaborates upon the Commission's procedures with respect to filings.

In accordance with §§ 201.16(c) and 207.3 of the rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Determination.—The Commission has determined this review is extraordinarily complicated and therefore has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. 1675(c)(5)(B).

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.62 of the Commission's rules.

By order of the Commission.

Issued: September 30, 2025.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2025–19449 Filed 10–2–25; 8:45 am]

BILLING CODE 7020–02–P

[1] A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's website.

[2] The Commission has found the responses submitted on behalf of EMD Acquisition LLC d/b/a Borman Specialty Materials and Vibrantz Technologies Inc. to be individually adequate. Comments from other interested parties will not be accepted (*see* 19 CFR 207.62(d)(2)).

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337–TA–1411]

Certain Photodynamic Therapy Systems, Components Thereof, and Pharmaceutical Products Used in Combination With the Same; Notice of Request for Submissions on the Public Interest

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that on September 30, 2025, the presiding administrative law judge (''ALJ'') issued an Initial Determination on Violation of Section 337. The ALJ also issued a Recommended Determination on remedy and bonding should a violation be found in the above-captioned investigation. The Commission is soliciting submissions on public interest issues raised by the recommended relief should the Commission find a violation. This notice is soliciting comments from the public and interested government agencies only.

FOR FURTHER INFORMATION CONTACT: B. Rashmi Borah, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436, telephone (202) 205–2518. Copies of non-confidential documents filed in connection with this investigation may be viewed on the Commission's electronic docket (EDIS) at *https://edis.usitc.gov.* For help accessing EDIS, please email *EDIS3Help@usitc.gov.* General information concerning the Commission may also be obtained by accessing its internet server at *https://www.usitc.gov.* Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on (202) 205–1810.

SUPPLEMENTARY INFORMATION: Section 337 of the Tariff Act of 1930 provides that, if the Commission finds a violation, it shall exclude the articles concerned from the United States unless, after considering the effect of such exclusion upon the public health and welfare, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, and United States consumers, it finds that such articles should not be excluded from entry. (19 U.S.C. 1337(d)(1)). A similar provision applies to cease and desist orders. (19 U.S.C. 1337(f)(1)).

The Commission is soliciting submissions on public interest issues raised by the recommended relief should the Commission find a violation, specifically: a limited exclusion order directed to certain photodynamic therapy systems, components thereof, and pharmaceutical products used in combination with the same imported, sold for importation, and/or sold after importation by respondents Biofrontera Inc. of Woburn, Massachusetts; Biofrontera Pharma GmbH of Leverkusen, Germany; Biofrontera Bioscience GmbH of Leverkusen, Germany; and Biofrontera AG of Leverkusen, Germany (collectively, ''Respondents''); and cease and desist orders directed to Respondents. Parties are to file public interest submissions pursuant to 19 CFR 210.50(a)(4).

The Commission is interested in further development of the record on the public interest in this investigation. Accordingly, members of the public and interested government agencies are invited to file submissions of no more than five (5) pages, inclusive of attachments, concerning the public interest in light of the ALJ's Recommended Determination on Remedy and Bonding issued in this investigation on September 30, 2025. Comments should address whether issuance of the recommended remedial orders in this investigation, should the Commission find a violation, would affect the public health and welfare in the United States, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, or United States consumers.

In particular, the Commission is interested in comments that:

(i) explain how the articles potentially subject to the recommended remedial orders are used in the United States;

(ii) identify any public health, safety, or welfare concerns in the United States relating to the recommended orders;

(iii) identify like or directly competitive articles that complainant, its licensees, or third parties make in the United States which could replace the subject articles if they were to be excluded;

(iv) indicate whether complainant, complainant's licensees, and/or third-party suppliers have the capacity to replace the volume of articles potentially subject to the recommended orders within a commercially reasonable time; and

(v) explain how the recommended orders would impact consumers in the United States.

Written submissions must be filed no later than by close of business on October 30, 2025.

Persons filing written submissions must file the original document electronically on or before the deadlines stated above pursuant to 19 CFR 210.4(f). Submissions should refer to the investigation number (''Inv. No. 337–TA–1411'') in a prominent place on the cover page and/or the first page. (*See* Handbook for Electronic Filing Procedures, *https://www.usitc.gov/secretary/fed_reg_notices/rules/handbook_on_electronic_filing.pdf*). Persons with questions regarding filing should contact the Secretary (202–205–2000).

Any person desiring to submit a document to the Commission in confidence must request confidential treatment by marking each document with a header indicating that the document contains confidential information. This marking will be deemed to satisfy the request procedure set forth in Rules 201.6(b) and 210.5(e)(2) (19 CFR 201.6(b) & 210.5(e)(2)). Documents for which confidential treatment by the Commission is properly sought will be treated accordingly. Any non-party wishing to submit comments containing confidential information must serve those comments on the parties to the investigation pursuant to the applicable Administrative Protective Order. A redacted non-confidential version of the document must also be filed simultaneously with any confidential filing and must be served in accordance with Commission Rule 210.4(f)(7)(ii)(A) (19 CFR 210.4(f)(7)(ii)(A)). All information, including confidential business information and documents for which confidential treatment is properly sought, submitted to the Commission for purposes of this investigation may be disclosed to and used: (i) by the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel, solely for cybersecurity purposes. All contract personnel will sign appropriate nondisclosure agreements. All nonconfidential written submissions will be available for public inspection on EDIS.

This action is taken under the authority of section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), and in Part 210 of the Commission's Rules of Practice and Procedure (19 CFR part 210).

By order of the Commission.

Issued: September 30, 2025.

Lisa Barton,

Secretary to the Commission.

[FR Doc. 2025–19447 Filed 10–2–25; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF JUSTICE

Antitrust Division

Notice Pursuant to the National Cooperative Research and Production Act of 1993—The Institute of Electrical and Electronics Engineers, Inc.

Notice is hereby given that, on September 24, 2025, pursuant to Section 6(a) of the National Cooperative Research and Production Act of 1993, 15 U.S.C. 4301 *et seq.* (''the Act''), The Institute of Electrical and Electronics Engineers, Inc. (''IEEE'') has filed written notifications simultaneously with the Attorney General and the Federal Trade Commission disclosing additions or changes to its standards development activities. The notifications were filed for the purpose of extending the Act's provisions limiting the recovery of antitrust plaintiffs to actual damages under specified circumstances. Specifically, 95 new standards have been initiated and 18 existing standards are being revised. More detail regarding these changes can be found at: *https://standards.ieee.org/about/sasb/sba/10sep2025/*. The following pre-standards activities associated with IEEE Industry Connections Activities were launched or renewed: *https://standards.ieee.org/about/bog/cag/approvals/september2025/.*

On September 17, 2004, IEEE filed its original notification pursuant to Section 6(a) of the Act. The Department of Justice published a notice in the **Federal Register** pursuant to Section 6(b) of the Act on November 3, 2004 (69 FR 64105).

The last notification was filed with the Department on June 24, 2025. A notice was published in the **Federal Register** pursuant to Section 6(b) of the Act on August 13, 2025 (90 FR 38996).

Suzanne Morris,

Deputy Director Civil Enforcement Operations, Antitrust Division.

[FR Doc. 2025–19430 Filed 10–2–25; 8:45 am]

BILLING CODE;P

DEPARTMENT OF JUSTICE

Antitrust Division

Notice Pursuant to the National Cooperative Research and Production Act of 1993—OpenGMSL Association

Notice is hereby given that, on September 22, 2025, pursuant to Section 6(a) of the National Cooperative Research and Production Act of 1993, 15 U.S.C. 4301 *et seq.* (''the Act''), OpenGMSL Association (''OpenGMSL'') has filed written notifications simultaneously with the Attorney General and the Federal Trade Commission disclosing changes in its membership. The notifications were filed for the purpose of extending the Act's provisions limiting the recovery of antitrust plaintiffs to actual damages under specified circumstances.

Specifically, Alfamation, an InTest Company, Lissone, ITALY; Analog

Devices Inc., Wilmington, MA; ASTRODESIGN, Inc., Tokyo, JAPAN; Beijing ESWIN Computing Technology Co., Ltd., Beijing, PEOPLE'S REPUBLIC OF CHINA; Core Microelectronics, Sariyer, TURKEY; Granite River Labs, Santa Clara, CA; Murata Manufacturing Co., Ltd., Kyoto, JAPAN; Qualcomm Incorporated, San Diego, CA; ROHM Co., Ltd., Kyoto, JAPAN; Rsemi Zhiyuan (Hangzhou) Semiconductor Science and Technology Limited Company, Hangzhou City, PEOPLE'S REPUBLIC OF CHINA; Samsung Electronics, Hwaseong-si, REPUBLIC OF KOREA; SmartSens Technology (Shanghai) Co., Ltd., Shanghai, PEOPLE'S REPUBLIC OF CHINA; TDK Corporation, Tokyo, JAPAN; and Valeo Comfort and Driving Assistance, Creteil, FRANCE have been added as parties to this venture.

No other changes have been made in either the membership or planned activity of the group research project. Membership in this group research project remains open and OpenGMSL intends to file additional written notifications disclosing all changes in membership.

On June 30, 2025, OpenGMSL filed its original notification pursuant to Section 6(a) of the Act. The Department of Justice published a notice in the **Federal Register** pursuant to Section 6(b) of the Act on August 13, 2025 (90 FR 38998).

Suzanne Morris,

Deputy Director Civil Enforcement Operations, Antitrust Division.

[FR Doc. 2025–19431 Filed 10–2–25; 8:45 am]

BILLING CODE;P

DEPARTMENT OF JUSTICE

Antitrust Division

Notice Pursuant to the National Cooperative Research and Production Act of 1993—The Open Group, L.L.C.

Notice is hereby given that, on August 22, 2025, pursuant to section 6(a) of the National Cooperative Research and Production Act of 1993, 15 U.S.C. 4301 *et seq.* (''the Act''), The Open Group, L.L.C. (''TOG'') has filed written notifications simultaneously with the Attorney General and the Federal Trade Commission disclosing changes in its membership. The notifications were filed for the purpose of extending the Act's provisions limiting the recovery of antitrust plaintiffs to actual damages under specified circumstances. Specifically, Abszolút.eu Kft., Budapest, REPUBLIC OF HUNGARY; Agile Architects NV, Antwerp, KINGDOM OF BELGIUM; Alvarez LLC, Leesburg, VA; Burrow Global Services, LLC, Houston, TX; Corporación Ecuatoriana para el Desarrollo de la Investigación y la Academia, Cuenca, REPUBLIC OF ECUADOR; COMROD, Inc., Westlake, OH; Curtin University, Bentley, COMMONWEALTH OF AUSTRALIA; DIGIWAVES, Ouled Fayet, REPUBLIC OF ALGERIA; IPT Global, LLC, Houston, TX; KITCO Fiber Optics, Inc., Norfolk, VA; Knowlathon IT Services Pvt. Ltd., Pune, REPUBLIC OF INDIA; Lomas Manufacturing Consulting, Carson City, NV; Maptek Pty Ltd, Glenside, COMMONWEALTH OF AUSTRALIA; Micross Components, LLC, Melville, NY; MilDef, Inc., Brea, CA; Moxa, Inc., New Taipei City, REPUBLIC OF CHINA (TAIWAN); NTIC Expertise, Tangier, KINGDOM OF MOROCCO; Parasoft Corporation, Monrovia, CA; Polywell Computers, Inc., South San Francisco, CA; Silver Palm Technologies, LLC, Ijamsville, MD; Strategical Operational Solutions Inc., Ashburn, VA; Symposit LLC, Fairfax, VA; University of Pittsburgh, Pittsburgh, PA; and Vital Learning Edge, Pendle Hill, COMMONWEALTH OF AUSTRALIA, have been added as parties to this venture.

Also, 3Pillar Global, Inc., Fairfax, VA; 4Subsea AS, Asker, KINGDOM OF NORWAY; Byanat LLC, Seeb, SULTANATE OF OMAN; Cognite AS, Lysaker, KINGDOM OF NORWAY; Department of National Defence/ Ministère de la Défense National, Ottawa, CANADA; GeoMark Research, Ltd., Houston, TX; inerG, Inc., Houston, TX; Kognitus Tecnologia, Consultoria e Serviços Ltda, Rio de Janeiro, FEDERATIVE REPUBLIC OF BRAZIL; MagicOrange Group Limited, London, UNITED KINGDOM; Marathon Oil Corporation, Houston, TX; Micro Focus International Plc., Berkshire, Octopian Digital, Reston, VA; Oracle Corporation, Rocklin, CA; Phoenix International Systems, Inc., Orange, CA; Professional Petroleum Data Management Association, Calgary, CANADA; Rapita Systems Ltd, York, UNITED KINGDOM; Rubix For Information Technology, Riyadh, KINGDOM OF SAUDI ARABIA; Terma North America Inc., Warner Robins, GA; Versatile Technology, Al Qibla, STATE OF KUWAIT; and Wintershall DEA AG, Hamburg, FEDERAL REPUBLIC OF GERMANY, have withdrawn as parties to this venture.

No other changes have been made in either the membership or planned activity of the group research project. Membership in this group research project remains open, and TOG intends to file additional written notifications disclosing all changes in membership.

On April 21, 1997, TOG filed its original notification pursuant to section 6(a) of the Act. The Department of Justice published a notice in the **Federal Register** pursuant to section 6(b) of the Act on June 13, 1997 (62 FR 32371).

The last notification was filed with the Department on April 16, 2025. A notice was published in the **Federal Register** pursuant to section 6(b) of the Act on June 11, 2025 (90 FR 24668).

Suzanne Morris,

Deputy Director Civil Enforcement Operations, Antitrust Division.

[FR Doc. 2025–19380 Filed 10–2–25; 8:45 am]

BILLING CODE;P

NATIONAL SCIENCE FOUNDATION

Agency Information Collection Activities: Comment Request; U.S. National Science Foundation (NSF) Small Business Innovation Research (SBIR) Program Phase I, NSF Small Business Technology Transfer (STTR) Program Phase I, and NSF SBIR/STTR Fast Track Pre-Submission Project Pitch Forms

AGENCY: National Science Foundation.

ACTION: Notice.

SUMMARY: The U.S. National Science Foundation (NSF) is announcing plans to renew this collection. In accordance with the requirements of the Paperwork Reduction Act of 1995, we are providing opportunity for public comments on this action. After obtaining and considering public comment, NSF will prepare the submission requesting Office of Management and Budget (OMB) clearance of this collection for no longer than 3 years.

DATES: Written comments on this notice must be received by December 2, 2025 to be assured consideration. Comments received after that date will be considered to the extent practicable. Send comments to address below.

FOR FURTHER INFORMATION CONTACT: Suzanne H. Plimpton, Reports Clearance Officer, National Science Foundation, 2415 Eisenhower Avenue, Alexandria, Virginia 22314; telephone (703) 292–7556; or send email to *splimpto@nsf.gov*. Individuals who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1–800–877–8339, which is accessible 24 hours a day, 7 days a week, 365 days a year (including Federal holidays).

SUPPLEMENTARY INFORMATION:

Title of Collection: U.S. National Science Foundation (NSF) Small Business Innovation Research (SBIR)

Program Phase I, NSF Small Business Technology Transfer (STTR) Program Phase I, and NSF SBIR/STTR Fast Track Pilot Pre-Submission Project Pitch Form.

OMB Control No.: 3145–0282.

Expiration Date of Approval: December 31, 2025.

Abstract: The NSF Small Business Innovation Research Program (SBIR)Phase I, Small Business Technology Transfer Program (STTR) Phase I, and SBIR/STTR Fast-Track Pilot Project Pitch is an NSF SBIR/STTR pre-submission process that conveys information needed to direct the proposed SBIR/STTR project to the appropriate NSF Program Director (PD) for review and possible proposal submission invitation. The Project Pitch is to be submitted by the applying small business concern (as ''proposer'') to the relevant NSF SBIR/STTR Phase I or Fast-Track Pilot technology topic. The Project Pitch outlines solicitation specific aspects of the project (such as the proposed technology innovation) and captures the same requested information, as outlined in the NSF SBIR/STTR Phase I and Fast-Track Program solicitations, but all within one secure, web-based form. Specifically, the form collects the submitting proposer company and team information, the proposed technology innovation; the technical objectives and challenges, and the market opportunity. The form also allows the proposer to choose (from a drop-down menu) the most relevant NSF SBIR/STTR Phase I and Fast-Track Pilot technical topic area, ensuring that the submitted Project Pitch goes to the most appropriate Program Director. For the SBIR/STTR Fast-Track Pilot submission, the Project Pitch encompasses the same questions as outlined in the Phase I Project Pitch but also seeks responses to three key eligibility requirements: NSF lineage, customer-discovery experience, and confirmation that the team members are currently employed by the company. These requirements expand on the details of the previously required information on the proposed technology innovation, the market opportunity, and the company and team, respectively.

Respondents: The respondents are typically Principal Investigators (PIs) at universities, founders, co-founders, and/or other key personnel of the small businesses. The data collection burden to the applicants will be between 1–2 hours of the respondents' time in each instance.

Estimated Number of Annual Responses: 18,000–23,000.

Burden on the Public: The overall annualized cost to the respondents is estimated to be between $954,000 and 2,438,000. The following table shows the annualized estimate of costs to PIs who are generally university professors. This estimated hourly rate is based on a report from the American Association of University Professors, ''Annual Report on the Economic Status of the Profession, 2022–23,'' *Academe,* March–April 2021, Survey Report Table 1. According to this report—*https://www.aaup.org/file/ARES-2022-23.pdf,* the average salary of an associate professor across all types of doctoral-granting institutions (public, private-independent, religiously affiliated) was $110,945. When divided by the number of standard annual work hours (2,080), this calculates to approximately $53 per hour.

Respondent type	Number of responses	Burden hours per respondent	Average hourly rate	Estimated annual cost
PIs,(co-) Founders, Business Partners	18,000–23,000	1–2	$53	$954,000–$2,438,000

Dated: September 30, 2025.

Suzanne H. Plimpton,

Reports Clearance Officer, National Science Foundation.

[FR Doc. 2025–19400 Filed 10–2–25; 8:45 am]

BILLING CODE 7555–01–P

NATIONAL SCIENCE FOUNDATION

Astronomy and Astrophysics Advisory Committee; Notice of Meeting

In accordance with the Federal Advisory Committee Act (Pub. L. 92–463, as amended), the National Science Foundation (NSF) announces the following meeting:

Name and Committee Code: Astronomy and Astrophysics Advisory Committee (13883) (Virtual).

Date and Time: November 7, 2025; 10 a.m.–5:30 p.m. eastern time.

Place: NSF, 2415 Eisenhower Avenue, Alexandria, VA 22314 (Virtual).

Members and the public may attend this meeting virtually via Zoom. Attendance information for the meeting will be forthcoming on the AAAC website: *https://www.nsf.gov/mps/ast/aaac.jsp.*

Registration for the virtual meeting can be accessed via the following link: *https://nsf.zoomgov.com/webinar/register/WN_I9LU4lOfTcK99mJiWJW49Q.*

Type of Meeting: Open.

Contact Person: Dr. Jacqueline Keane, Program Director, Division of Astronomical Sciences, Suite W 9147, National Science Foundation, 2415 Eisenhower Avenue, Alexandria, VA 22314; Telephone: 703–292–8123.

Purpose of Meeting: To hear presentations of current programming by representatives from NSF, NASA, DOE and other agencies relevant to astronomy and astrophysics; to discuss current and potential areas of cooperation between the agencies; to formulate recommendations for continued and new areas of cooperation and mechanisms for achieving them.

Agenda: To provide updates on Agency activities and to discuss the Committees draft annual report due 15 March 2026.

Dated: September 30, 2025.

Crystal Robinson,

Committee Management Officer.

[FR Doc. 2025–19441 Filed 10–2–25; 8:45 am]

BILLING CODE 7555–01–P

POSTAL REGULATORY COMMISSION

[Docket Nos. CP2024–265; CP2024–485; K2025–667; K2025–834; MC2025–1723 and K2025–1714; MC2025–1724 and K2025–1715; MC2025–1725 and K2025–1716; MC2025–1726 and K2025–1717; MC2025–1727 and K2025–1718; MC2025–1728 and K2025–1719; MC2025–1729 and K2025–1720; MC2025–1730 and K2025–1721; MC2025–1731 and K2025–1722; MC2025–1733 and K2025–1724; MC2025–1734 and K2025–1725]

New Postal Products

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

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

DATES: *Comments are due:* October 8, 2025.

ADDRESSES: Submit comments electronically via the Commission's Filing Online system at *https://www.prc.gov.* Those who cannot submit comments electronically should contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section by telephone for advice on filing alternatives.

FOR FURTHER INFORMATION CONTACT: David A. Trissell, General Counsel, at 202–789–6820.

SUPPLEMENTARY INFORMATION:

Table of Contents

I. Introduction
II. Public Proceeding(s)
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I. Introduction

Pursuant to 39 CFR 3041.405, the Commission gives notice that the Postal Service filed request(s) for the Commission to consider matters related to Competitive negotiated service agreement(s). The request(s) may propose the addition of a negotiated service agreement from the Competitive product list or the modification of an existing product currently appearing on the Competitive product list.

The public portions of the Postal Service's request(s) can be accessed via the Commission's website (*http://www.prc.gov*). Non-public portions of the Postal Service's request(s), if any, can be accessed through compliance with the requirements of 39 CFR 3011.301.[1]

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

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

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

Section III identifies the docket number(s) associated with each Postal Service request, if any, to add a standardized distinct product to the Competitive product list or to amend a standardized distinct product, the title of each such request, the request's acceptance date, and the authority cited by the Postal Service for each request. Standardized distinct products are negotiated service agreements that are variations of one or more Competitive products, and for which financial models, minimum rates, and classification criteria have undergone advance Commission review. *See* 39 CFR 3041.110(n); 39 CFR 3041.205(a). Such requests are reviewed in summary proceedings pursuant to 39 CFR 3041.325(c)(2) and 39 CFR 3041.505(f)(1). Pursuant to 39 CFR 3041.405(c)–(d), the Commission does not appoint a Public Representative or request public comment in proceedings to review such requests. The comment due date discussed above does not apply to Section III proceedings (Docket Nos. MC2025–1723 and K2025–1714, MC2025–1724 and K2025–1715, MC2025–1726 and K2025–1717, MC2025–1729 and K2025–1720, MC2025–1733 and K2025–1724, and MC2025–1734 and K2025–1725).

II. Public Proceeding(s)

1. *Docket No(s).:* CP2024–265; *Filing Title:* USPS Request Concerning Amendment One to Priority Mail & USPS Ground Advantage Contract 233, with Material Filed Under Seal; *Filing Acceptance Date:* September 30, 2025; *Filing Authority:* 39 CFR 3035.105 and 39 CFR 3041.505; *Public Representative:* Elsie Lee-Robbins; *Comments Due:* October 8, 2025.

2. *Docket No(s).:* CP2024–485; *Filing Title:* USPS Request Concerning Amendment One to Priority Mail Express, Priority Mail & USPS Ground Advantage Contract 198, with Materials Filed Under Seal; *Filing Acceptance Date:* September 30, 2025; *Filing Authority:* 39 CFR 3035.105 and 39 CFR 3041.505; *Public Representative:* Maxine Bradley; *Comments Due:* October 8, 2025.

3. *Docket No(s).:* K2025–667; *Filing Title:* USPS Request Concerning Amendment One to Priority Mail Express, Priority Mail & USPS Ground Advantage Contract 930, with Materials Filed Under Seal; *Filing Acceptance Date:* September 30, 2025; *Filing Authority:* 39 CFR 3035.105 and 39 CFR 3041.505; *Public Representative:* Christopher Mohr; *Comments Due:* October 8, 2025.

4. *Docket No(s).:* K2025–834; *Filing Title:* USPS Request Concerning Amendment One to Priority Mail & USPS Ground Advantage Contract 536, with Material Filed Under Seal; *Filing Acceptance Date:* September 30, 2025; *Filing Authority:* 39 CFR 3035.105 and 39 CFR 3041.505; *Public Representative:* Samuel Robinson; *Comments Due:* October 8, 2025.

5. *Docket No(s).:* MC2025–1725 and K2025–1716; *Filing Title:* USPS Request to Add Priority Mail Express, Priority Mail & USPS Ground Advantage Contract 1425 to the Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date:* September 30, 2025; *Filing Authority:* 39 U.S.C. 3642, 39 CFR 3035.105, and 39 CFR 3041.310; *Public Representative:* Elsie Lee-Robbins; *Comments Due:* October 8, 2025.

6. *Docket No(s).:* MC2025–1727 and K2025–1718; *Filing Title:* USPS Request to Add Priority Mail Express, Priority Mail & USPS Ground Advantage Contract 1426 to the Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date:* September 30, 2025; *Filing Authority:* 39 U.S.C. 3642, 39 CFR 3035.105, and 39 CFR 3041.310; *Public Representative:* Evan Wise; *Comments Due:* October 8, 2025.

7. *Docket No(s).:* MC2025–1728 and K2025–1719; *Filing Title:* USPS Request to Add Priority Mail Contract 933 to the Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date:* September 30, 2025; *Filing Authority:* 39 U.S.C. 3642, 39 CFR 3035.105, and 39 CFR 3041.310; *Public Representative:* Jennaca Upperman; *Comments Due:* October 8, 2025.

8. *Docket No(s).:* MC2025–1730 and K2025–1721; *Filing Title:* USPS Request to Add Priority Mail Contract 934 to the Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date:* September 30, 2025; *Filing Authority:* 39 U.S.C. 3642, 39 CFR 3035.105, and 39 CFR 3041.310; *Public Representative:* Jennaca Upperman; *Comments Due:* October 8, 2025.

9. *Docket No(s).:* MC2025–1731 and K2025–1722; *Filing Title:* USPS Request to Add Priority Mail Express, Priority Mail & USPS Ground Advantage Contract 1427 to the Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance*

Date: September 30, 2025; *Filing Authority:* 39 U.S.C. 3642, 39 CFR 3035.105, and 39 CFR 3041.310; *Public Representative:* Almaroof Agoro; *Comments Due:* October 8, 2025.

III. Summary Proceeding(s)

1. *Docket No(s).:* MC2025–1723 and K2025–1714; *Filing Title:* USPS Request to Add New Fulfillment Standardized Distinct Product, PM–GA Contract 870, and Notice of Filing Materials Under Seal; *Filing Acceptance Date:* September 30, 2025; *Filing Authority:* 39 U.S.C. 3642 and 3633, 39 CFR 3035.105, and 39 CFR 3041.325.

2. *Docket No(s).:* MC2025–1724 and K2025–1715; *Filing Title:* USPS Request to Add New Fulfillment Standardized Distinct Product, PM–GA Contract 871, and Notice of Filing Materials Under Seal; *Filing Acceptance Date:* September 30, 2025; *Filing Authority:* 39 U.S.C. 3642 and 3633, 39 CFR 3035.105, and 39 CFR 3041.325.

3. *Docket No(s).:* MC2025–1726 and K2025–1717; *Filing Title:* USPS Request to Add New Fulfillment Standardized Distinct Product, PM–GA Contract 872, and Notice of Filing Materials Under Seal; *Filing Acceptance Date:* September 30, 2025; *Filing Authority:* 39 U.S.C. 3642 and 3633, 39 CFR 3035.105, and 39 CFR 3041.325.

4. *Docket No(s).:* MC2025–1729 and K2025–1720; *Filing Title:* USPS Request to Add New Fulfillment Standardized Distinct Product, PM–GA Contract 873, and Notice of Filing Materials Under Seal; *Filing Acceptance Date:* September 30, 2025; *Filing Authority:* 39 U.S.C. 3642 and 3633, 39 CFR 3035.105, and 39 CFR 3041.325.

5. *Docket No(s).:* MC2025–1733 and K2025–1724; *Filing Title:* USPS Request to Add New Fulfillment Standardized Distinct Product, PM–GA Contract 874, and Notice of Filing Materials Under Seal; *Filing Acceptance Date:* September 30, 2025; *Filing Authority:* 39 U.S.C. 3642 and 3633, 39 CFR 3035.105, and 39 CFR 3041.325.

6. *Docket No(s).:* MC2025–1734 and K2025–1725; *Filing Title:* USPS Request to Add New Fulfillment Standardized Distinct Product, PM–GA Contract 875, and Notice of Filing Materials Under Seal; *Filing Acceptance Date:* September 30, 2025; *Filing Authority:* 39 U.S.C. 3642 and 3633, 39 CFR 3035.105, and 39 CFR 3041.325.

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

Erica A. Barker,

Secretary.

[FR Doc. 2025–19464 Filed 10–2–25; 8:45 am]

BILLING CODE 7710–FW–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–104155; File No. SR–SCCP–2025–01]

Self-Regulatory Organizations; Stock Clearing Corporation of Philadelphia; Notice of Filing of Proposed Rule Change To Amend the Amended and Restated Certificate of Incorporation and By-Laws of Its Parent Corporation, Nasdaq, Inc.

September 30, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on September 29, 2025, Stock Clearing Corporation of Philadelphia (''SCCP'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by SCCP. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

SCCP proposes to amend the Amended and Restated Certificate of Incorporation (''Certificate'') and By-Laws (''By-Laws'') of its parent corporation, Nasdaq, Inc. (''NASDAQ'' or ''Corporation''). The proposed changes would align the Certificate with certain amendments to the Delaware General Corporation Law as well as update the By-Laws to reflect recent changes in law and best practices, as discussed below.

The text of the proposed rule change is available on SCCP's website at *https://listingcenter.nasdaq.com/rulebook/sccp/rulefilings,* and at the principal office of SCCP.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, SCCP included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. SCCP has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

SCCP is proposing to update the Certificate to reflect certain amendments to the Delaware General Corporation Law. SCCP is also proposing to update the By-Laws to reflect recent changes in law and best practices as discussed below.

(a) Proposed Amendments to the Certificate

(1) Background

On April 23, 2025, NASDAQ's Board of Directors approved proposed amendments to the Certificate to provide for limited officer exculpation. On June 11, 2025, NASDAQ held its Annual Meeting of Stockholders, during which its stockholders considered and approved the Certificate amendments. In 2022, Delaware amended the Delaware General Corporation Law to enable companies incorporated in Delaware, such as NASDAQ, to limit the liability of certain of their officers in narrow circumstances. This change was made to address situations where directors would be dismissed from litigation, but the officers, who were not exculpated, had to continue in the litigation to show their actions were not grossly negligent. Generally, this issue arises in the mergers and acquisitions context and often relates to claims that a particular disclosure document was deficient.

The Certificate amendment would exculpate covered officers from monetary liability for breach of the duty of care in a manner similar to that already permitted for directors. However, it would not exculpate such officers in connection with derivative actions. Failing to adopt the Certificate amendment could potentially expose the Company to higher litigation expenses associated with lawsuits, regardless of merit, and/or impact the Company's recruitment and retention of exceptional officer candidates who conclude that the potential exposure to liabilities, costs of defense, and other risks of proceedings exceed the benefits of serving as one of the Company's officers. SCCP notes that amendments providing for officer exculpation are increasingly common for public companies, and that the number of shareholder proposals calling for such amendments—the majority of which have been approved by wide margins—

have continued to increase since 2022 when the Delaware law was passed.[3]

Under NASDAQ'S Certificate and By-Laws, SCCP must determine whether proposed amendments to the Certificate must be filed with the Commission prior to taking effect. On April 30, 2025, the Board of SCCP determined that the proposed amendments to the Certificate must be filed with the Commission.

(2) Proposed Amendments

To effect the changes discussed above, SCCP proposes to amend Article Sixth of NASDAQ's Amended and Restated Certificate of Incorporation as follows. Paragraph A of Article Sixth of the Certificate provides that ''[a] director of Nasdaq shall not be liable to Nasdaq or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent that such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended.'' Paragraph B of Article Sixth provides that ''[a]ny repeal or modification of paragraph A shall not adversely affect any right or protection of a director of Nasdaq existing hereunder with respect to any act or omission occurring prior to such repeal or modification.'' In each of these provisions, SCCP proposes to add, after each instance of the word ''director,'' the words ''or officer.'' [4]

SCCP believes the proposed changes to paragraphs A and B of Article Sixth of the Certificate would update the Certificate to reflect amendments to the Delaware General Corporation Law [5] that enable companies incorporated in Delaware, such as NASDAQ, to limit the liability of certain of their officers in narrow circumstances, as discussed above.

(b) Proposed Amendments to the By-Laws

(1) Background

On April 23, 2025, NASDAQ's Board of Directors approved proposed amendments to the By-Laws to reflect changes in law and best practices that have occurred since the most recent amendments to the By-Laws in 2016. As discussed above, under NASDAQ's Certificate and By-Laws, SCCP must determine whether proposed amendments to the By-Laws must be filed with the Commission prior to taking effect. On April 30, 2025, SCCP determined that the proposed amendments to the By-Laws must be filed with the Commission.

(2) Proposed Amendments

To effect the changes discussed above, SCCP proposes to amend the By-Laws as follows.

(i) Article III Meetings of Stockholders

Section 3.1(b) of Article III of the By-Laws sets forth the requirements for a stockholder's notice to NASDAQ of nominations or other business to be considered at an annual meeting. Section 3.1(b)(i) of the By-Laws currently sets forth the information that a stockholder must provide to NASDAQ about each person whom the stockholder proposes to nominate for election as a director. Section 3.1(b)(i) of the By-Laws provides in part that the Corporation may require any proposed nominee to furnish such other information it may reasonably require to determine the eligibility of such proposed nominee to serve as director of the Corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack of independence, of such proposed nominee.[6] SCCP proposes to amend Section 3.1(b)(i) to narrow the scope of information that may be requested under this provision. Specifically, SCCP proposes to provide that the Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine whether the-proposed nominee is qualified under the Restated Certificate of Incorporation, the By-Laws, the rules and regulations of any stock exchange applicable to the Corporation, or any law or regulation applicable to the Corporation to serve as a director and/or independent director of the Corporation.[7] SCCP believes that the proposed changes address concerns that the current provision is unnecessarily open-ended by limiting the information that may be requested to information on the nominee's qualifications to serve as director and/or independent director of the Corporation. SCCP also proposes certain clarifying changes to Section 3.1(b)(i) of the By-Laws. Specifically, SCCP proposes to insert, in its first full sentence, the word ''Corporation's'' and the words ''of such Proposing Person and in the accompanying proxy card.'' [8] SCCP believes these proposed non-substantive changes would facilitate the application of this provision by rendering it more specific and clearer to understand.

Section 3.1(b) of the By-Laws sets forth requirements for notices from a Proposing Person [9] to NASDAQ regarding nominations or other business to be considered at an annual meeting. Section 3.1(b)(iii) of the By-Laws sets out the information required to be provided with respect to each Proposing Person. Information required to be provided under current Section 3.1(b)(iii)(C) includes ''a description of any agreement, arrangement or understanding with respect to the nomination or proposal between or among such stockholder and/or such beneficial owner, any of their respective affiliates or associates, and any others acting in concert with any of the foregoing.'' [10] SCCP proposes to amend Section 3.1(b)(iii)(C) to delete the

[3] *See, e.g.,* Andrew J. Noreuil and Andrew J. Stanger, *Developments and Trends in Delaware Officer Exculpation Charter Amendments,* Harv. L. Sch. F. On Corp. Governance (June 14, 2024), *https://corpgov.law.harvard.edu/2024/06/14/developments-and-trends-in-delaware-officer-exculpation-charter-amendments/;* Megan W. Shaner, *Understanding Officer Exculpation Under the MBCA Amendments,* Bus. L. Today (Nov. 19, 2024) *https://businesslawtoday.org/2024/11/understanding-officer-exculpation-mbca-amendments/.*

[4] *See* proposed Article Sixth of the Certificate.

[5] *See* 8 Del. C. Section 102(b)(7).

[6] *See* Section 3.1(b)(1) of the By-Laws. As discussed below, SCCP is also proposing a non-substantive change to Section 3.1(a) of the By-Laws to delete the term ''shareholder'' and substitute therefor the word ''stockholder'' to more closely track established terminology of the By-Laws and thus make them clearer and easier to understand. *See* proposed Section 3.1(a) of the By-Laws.

[7] To effect these changes, SCCP proposes to delete, from the final sentence of Section 3.1(b)(i) the following: (1) the romanette (i); (2) the words ''eligibility of such''; and (3) the phrase ''or (ii) that could be material to a reasonable stockholder's understanding of the independence, or lack of independence, of such proposed nominee.'' Further, SCCP proposes to amend the final sentence of Section 3.1(b)(i) of the By-Laws as follows: (1) insert, immediately after the words ''to determine'' the word ''whether''; (2) insert, immediately after ''proposed nominee, the words ''is qualified under the Restated Certificate of Incorporation, these By-Laws, the rules and regulations of any stock exchange applicable to the Corporation, or any law or regulation applicable to the Corporation''; and (3) insert, immediately after the words ''to serve as a director'' the phrase ''and/or independent director.'' *See* proposed Section 3.1(b)(i) of the By-Laws. As discussed below, SCCP is also proposing a non-substantive change to Section 3.1(a) of the By-Laws to delete therefrom the word ''shareholder'' and substitute therefor the word ''stockholder.'' *See* proposed Section 3.1(a) of the By-Laws.

[8] *See* proposed Section 3.1(b)(i) of the By-Laws. SCCP also proposes a non-substantive change to Section 3.1(b)(i) to replace the term ''Requesting Person'' with ''Proposing Person'' as that term and not ''Requesting Person,'' is defined in the Section 3.1(c) of the By-Laws.

[9] The term ''Proposing Person'' means ''(i) the stockholder providing the notice of business or the notice of the nomination, as applicable, proposed to be brought before an annual meeting, (ii) any beneficial owner or beneficial owners, if different, on whose behalf such business is proposed to be brought before the meeting or the notice of the nomination proposed to be made at the meeting is made, as applicable, and (iii) any affiliate or associate (each within the meaning of Rule 12b–2 under the Act for purposes of these By-Laws) of such stockholder or beneficial owner.'' *See* Section 3.1(c) of the By-Laws.

[10] *See* Section 3.1(b)(iii)(C) of the By-Laws.

reference to others ''acting in concert with any of the foregoing.'' [11] SCCP believes this proposed change is appropriate to conform the By-Laws to current practices because the ''acting in concert'' language has been challenged by plaintiffs or otherwise used in search of potential litigation targets. SCCP thus believes it is appropriate to delete such language from the advance notice requirements under this section of the By-Laws.[12]

Section 3.1(b)(iii)(I) requires that a Proposing Person describe any significant equity interest or any Synthetic Equity Interest or Short Interest in any principal competitor of the Corporation held by such Proposing Person. SCCP proposes to add a parenthetical stating the term ''principal competitor'' as used in this subsection shall be ''as defined for purposes of Section 8 of the Clayton Antitrust Act of 1914.'' [13] SCCP believes that the proposed change would address a textual ambiguity in this subsection by providing greater clarity with respect to the scope of the term ''principal competitor,'' which the current subsection does not define.

Section 3.1(b)(iii)(J) further requires a Proposing Person to describe any direct or indirect interest of such Proposing Person in any contract with the Corporation, any affiliate of the Corporation, or any principal competitor of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement.[14] SCCP proposes adding two parentheticals to this subsection. The first parenthetical would state that an ''affiliate,'' as that term is used in this subsection, would be ''as reflected on the most recent Form 10–K of the Corporation.'' [15] The second parenthetical would clarify that ''principal competitor,'' as provided in this subsection, would be ''as defined for purposes of Section 8 of the Clayton Antitrust Act of 1914.'' [16] SCCP believes that the proposed changes would address textual ambiguities in this subsection by providing greater clarity with respect to the scope of the terms ''affiliate'' and ''principal competitor,'' which terms the current subsection does not define.

Section 3.1(b)(iii)(K) further requires Proposing Persons to describe any pending or threatened litigation in which such Proposing Person is a party or material participant involving the Corporation or any of its officers or Directors, or any affiliate of the Corporation.[17] SCCP proposes to add a parenthetical to clarify, consistent with proposed changes to Section 3.1(b)(iii)(J), that an ''affiliate,'' as used in this subsection, shall be ''as reflected on the most recent Form 10–K of the Corporation.'' [18]

Section 3.1(b)(iii)(L) of the By-Laws requires Proposing Persons to describe any material transaction occurring, in whole or in part, during the then immediately preceding 12-month period between such Proposing Person, on the one hand, and the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation. Consistent with proposed changes to Section 3.1(iii)(b)(I)–(K), SCCP proposes adding two parentheticals: the first stating that an ''affiliate,'' as that term is used in this subsection, would be ''as reflected on the most recent Form 10–K of the Corporation;'' [19] the second would clarify that ''principal competitor,'' as provided in this subsection, would be ''as defined for purposes of Section 8 of the Clayton Antitrust Act of 1914.'' [20] SCCP believes that these proposed changes to Section 3.1(b)(iii)(L) would—consistent with similarly proposed changes to Section 3.1(b)(iii)(I)–(K)—provide greater clarity with respect to the meaning of the terms ''affiliate'' and ''principal competitor,'' which terms the current Section 3.1(b)(iii)(L) does not define.

Section 3.1(b)(iii)(O) requires notice to the Corporation if a Proposing Person intends to act as part of a group to solicit or deliver proxies in support of a proposal or the election of a nominee under specified circumstances. Specifically, Section 3.1(b)(iii)(O) of the By-Laws requires a representation as to whether the Proposing Person intends or is part of a group which intends (1) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (2) otherwise to solicit *proxies* from stockholders in support of such proposal or nomination.[21] SCCP proposes to amend to Section 3.1(b)(iii)(O) to clarify, in Section 3.1(b)(iii)(O)(2), that the representation required to be provided under that subsection would extend to the solicitation of proxies *or votes* from stockholders in support of any proposal or proposed nominee.[22] As further proposed, new Section 3.1(b)(iii)(O)(3) would specify that the representation required under Section 3.1(b)(iii) extends to whether the Proposing Person intends or is part of a group which intends ''to solicit proxies or votes in support of any proposed nominee in accordance with Rule 14a–19 promulgated under the Act.'' [23] SCCP believes that the proposed changes to Section 3.1(iii)(O) enhance the transparency of this provision by providing greater specificity with respect to the content of representations required to be provided under this subsection. Similarly, proposed Section 3.1(iii)(O)(3) would enhance the clarity of this provision by specifying that the representation required under this section extends to whether the stockholder intends to act as part of a group to solicit proxies under the SEC's universal proxy rule.

Section 3.1(d) of the By-Laws addresses stockholder notice requirements with respect to nominees for additional directorships if the number of directors to be elected to the Board at an annual meeting is increased effective at the annual meeting.[24] Section 3.1(d) provides no limitations on the number of nominees that may be nominated under such circumstances.[25] SCCP proposes to amend Section 3.1(d) to set limits on the number of nominees that may be nominated in such cases to not exceed the number of directors to be elected at the subject annual meeting. Specifically, SCCP proposes to provide, in a new final sentence to Section 3.1(d) of the By-Laws, that the number of nominees a Proposing Person may nominate for election at the annual meeting on its own behalf (or in the case of a Proposing Person giving the notice

[11] *See* proposed Section 3.1(b)(iii)(C) of the By-Laws. SCCP is also proposing conforming changes to express ''others'' in the singular ''other'' and to add, immediately thereafter, the word ''person.''

[12] As proposed, Section 3.1(b)(iii)(C) would require the Proposing Person to describe ''any agreement, arrangement or understanding with respect to the nomination or proposal between or among such stockholder and/or such beneficial owner, any of their respective affiliates or associates, and any other person.'' *See* proposed Section 3.1(b)(iii)(C) of the By-Laws.

[13] *See* proposed Section 3.1(b)(iii)(I) of the By-Laws.

[14] *See* Section 3.1(b)(iii)(J) of the By-Laws.

[15] *See* proposed Section 3.1(b)(iii)(J) of the By-Laws.

[16] *See id.*

[17] *See* Section 3.1(b)(iii)(K) of the By-Laws.

[18] *See* proposed Section 3.1(b)(iii)(K) of the By-Laws.

[19] *See* proposed Section 3.1(b)(iii)(I)–(K) of the By-Laws.

[20] *See id.*

[21] *See* Section 3.1(b)(iii)(O) of the By-Laws.

[22] To effect this change, SCCP proposes to insert, immediately after ''otherwise to solicit proxies'' in Section 3.1(b)(iii)(O)(2), the words ''or votes.'' *See* proposed Section 3.1(b)(iii)(O)(2).

[23] *See* proposed Section 3.1(b)(iii)(O)(3) of the By-Laws. SCCP proposes a conforming change to insert, at the conclusion of Section 3.1(b)(iii)(O)(2) the following: ''and/or.'' *See* proposed Section 3.1(b)(iii)(O)(2) of the By-Laws.

[24] *See* Section 3.1(d) of the By-Laws.

[25] *See id.*

on behalf of a beneficial owner, the number of nominees a Proposing Person may nominate for election at the annual meeting on behalf of such beneficial owner) shall not exceed the number of directors to be elected at such annual meeting.[26]

SCCP believes that the proposed changes to Section 3.1(d) of the By-Laws would align the By-Laws with current practices by safeguarding against the practice of proposing multiple nominees and then deciding—at the last minute—which nominees will actually stand for election. This in turn would spare the Corporation and its stockholders from needless expenditure of time and resources to vet the surplus nominees.

Section 3.2(a) of the By-Laws addresses requirements for requesting a special meeting of the stockholders, including procedures for determining the requisite percentage of stockholders necessary to support a special meeting request. SCCP proposes to amend Section 3.2(a) of the By-Laws to remove the phrase ''acting in concert'' and substitute therefor the words ''knowingly coordinating.'' [27] SCCP believes this proposed change would mitigate against the potential for plaintiff's firms to leverage the ''acting in concert'' requirement to find targets for potential litigation.

SCCP further proposes to amend Section 3.2(a) to remove a reference to the binding nature of the Board's determination with respect to whether the special meeting request is in proper form.[28] Specifically, SCCP proposes to delete from the final sentence in Section 3.2(a) the words ''and such determination shall be binding on the Corporation and the stockholders.'' [29] SCCP believes that the proposed changes would align the By-Laws with current practices because it would remove all references to the binding or final nature of Board actions, which language has been the challenged on the basis that it purports to limit or foreclose judicial review by Delaware courts.

Section 3.3 of the By-Laws governs determinations regarding nominations or business eligible to be considered at annual or special meetings. Section 3.3(a) provides, in part, that the chairman of the meeting has the power and duty to determine whether a nomination or business proposed to be brought before the meeting was made or proposed in accordance with the By-Laws and, if not so made or proposed, to declare that such nomination or business shall be disregarded.[30] SCCP proposes to amend that provision of Section 3.3(a) to add a parenthetical stating that, in advance of any meeting of stockholders, the Board of Directors or an authorized committee thereof shall have the same powers and duties, including the power to declare that a particular nomination or business shall be disregarded.[31] SCCP believes the proposed changes align the By-Laws with current practices because plaintiffs have argued that a determination to disregard a matter from consideration at a meeting should be subject to fiduciary duties. The proposed changes clarify that the chair of a meeting must be a director or officer whose decisions, in turn, are subject to fiduciary duties.

SCCP further proposes to amend Section 3.3(a) to clarify that the Corporation may disregard nominees proposed by a stockholder under the Commission's universal proxy rule if the shareholder has failed to comply with that rule. To effect that change, SCCP proposes to insert, at the conclusion of current Section 3.3(a), new text providing as follows:

> Notwithstanding anything to the contrary in these By-Laws, unless otherwise required by law, if any Proposing Person (i) provides notice pursuant to Rule 14a–19(b) promulgated under the Act with respect to any proposed nominee and (ii) subsequently fails to comply with the requirements of Rule 14a–19(a)(2) or Rule 14a–19(a)(3) promulgated under the Act (or fails to timely provide reasonable evidence sufficient to satisfy the Corporation that such Proposing Person has met the requirements of Rule 14a–19(a)(3) promulgated under the Act in accordance with the following sentence), then the nomination of each such proposed nominee shall be disregarded, notwithstanding that proxies or votes in respect of the election of such proposed nominees may have been received by the Corporation (which proxies and votes shall be disregarded). Upon request by the Corporation, if any Proposing Person provides notice pursuant to Rule 14a–19(b) promulgated under the Act, such Proposing Person shall deliver to the Corporation, no later than five (5) business days prior to the applicable meeting, reasonable evidence that it has met the requirements of Rule 14a–19(a)(3) promulgated under the Act.

This proposed change to Section 3.3(a) would align the By-Laws with current practices by specifying that failure to comply with requirements of the Commission's universal proxy rule would constitute grounds for the Corporation to disregard a stockholder's proposed nomination, as well as setting out redress procedures for stockholders seeking to demonstrate that such requirements have been met.

Section 3.4 of the By-Laws governs the conduct of meetings. Section 3.4 provides in part that the date and time of the opening and closing of the polls for each matter to be voted upon at a meeting must be announced at the meeting by the person presiding over the meeting. SCCP proposes to amend Section 3.4 to clarify, consistent with the advance notice provisions in Section 3.1 of the By-Laws, that the person presiding over a meeting must be a chairman of the meeting who shall be an officer or director of the Corporation.[32] SCCP believes this proposed change enhances the clarity of Section 3.4 by specifying, consistent with the advance notice provisions under Section 3.1 of the By-Laws, that the chairman and presiding person of the meeting must be an officer or director of the Corporation. Section 3.4 also provides in part that the person presiding over a meeting shall have the right to, among other things, convene and adjourn the meeting.[33] SCCP proposes to clarify that the presiding person also shall have the right to recess the meeting for any or no reason.[34] SCCP believes this proposed change will make explicit that the presiding person's rights with respect to the conduct of the meeting includes the right to recess the meeting for any or no reason, thereby enhancing the clarity and transparency of this rule.

Section 3.6(d) of the By-Laws governs the amount of shares that a stockholder must own to invoke proxy access. Section 3.6(d) provides in part that ''[w]hether outstanding shares of the common stock of the Corporation are 'owned' for these purposes shall be determined by the Board or any

[26] *See* proposed Section 3.1(d) of the By-Laws.

[27] *See* proposed Section 3.2 of the By-Laws.

[28] *See* Section 3.2(a) of the By-Laws.

[29] *See* proposed Section 3.2(a) of the By-Laws. SCCP further proposes to make a non-substantive change to Section 3.2(a) of the By-Laws to capitalize the word ''secretary'' to conform to other usages of such word in the By-Laws. SCCP also proposes to correct a typographical error in Section 3.2(c) of the By-Laws to express the word ''Business'' therein in the singular as ''business'' is not a defined term. *See* proposed Section 3.2(c) of the By-Laws.

[30] *See* Section 3.3(a) of the By-Laws.

[31] *See* proposed Section 3.3 of the By-Laws. To effect this change, SCCP proposes to insert, immediately after the words ''Except as otherwise provided by law, the chairman of the meeting'' a parenthetical to read as follows: ''(or, in advance of any meeting of stockholders, the Board of Directors or an authorized committee thereof).'' SCCP also proposes to make a non-substantive conforming change to Section 3.3(a) to insert, immediately after the word ''proxies'' in the second full sentence of Section 3.3(a) the words ''or votes,'' consistent with changes proposed for Section 3.1(b)(iii)(O) of the By-Laws.

[32] *See* proposed Section 3.4 of the By-Laws. To effect this change, SCCP proposes to insert, in the first full sentence of Section 3.4 and immediately after ''shall be announced at the meeting by the'' the words ''chairman of the meeting who shall be an officer or director of the Corporation and who shall be the.'' *See id.*

[33] *See* Section 3.4 of the By-Laws.

[34] *See* proposed Section 3.4 of the By-Laws.

committee thereof, in each case, in its sole discretion.'' [35] SCCP proposes to amend Section 3.6(d) to delete therefrom the words ''in each case, in its sole discretion.'' [36] SCCP further proposes to remove from Section 3.6(h)(ii), Section 3.6(h)(viii), Section 3.6(i)(i), and Section 3.6(k) of the By-Laws similar references to the finality or ''binding'' nature of decisions by the Board (or persons authorized by the Board), any committee thereof, or the chairman of a meeting of stockholders.[37] These proposed changes align the By-Laws with current practice because provisions that purport to assign a binding effect to or otherwise finality to the decisions of the Board—such as those proposed to be deleted—are likely targets by litigants who argue that such provisions unlawfully purport to foreclose judicial review.

Finally, Section 3.6(m) provides that Section 3.6 shall be the exclusive method for stockholders to include nominees for director in the Corporation's proxy materials. SCCP proposes to amend Section 3.6(m) to provide an exception for nominees for director in the Corporation's proxy materials submitted pursuant to, and in compliance with, the Commission's universal proxy rule.[38] The proposed changes to Section 3.6(m) align the By-Laws with current practice by providing that, in addition to the exclusive method set out in Section 3.6 of the By-Laws, stockholders may also include nominees for such purposes pursuant to and consistent with requirements under the SEC's universal proxy rule.[39]

(ii) Article IV Board of Directors

Section 4.3 of Article IV of the By-Laws governs qualifications for Directors of the Corporation. This section currently provides in part the Board may include at least one, but not more than two, Issuer Directors. SCCP proposes to amend Section 4.3 to remove limitations on the number Issuers Directors on the Board.[40] The proposed change would provide the Corporation with greater flexibility with respect to the number of Issuer Directors that may be members of the Board, as NASDAQ is frequently in search of officers of NASDAQ-listed companies to join the Board.

Section 4.9 of the By-Laws governs quorum and voting. Section 4.9 provides in part that, in general, a quorum for the transaction of all business at all meetings of the Board shall consist of a majority of the Board.[41] SCCP proposes to make a clarifying change to specify that for purposes of this section, a majority of the Board, means a majority of the total numbers of directors constituting the Board.[42] SCCP believes this proposed change would provide greater clarity to and facilitate the application of this provision. SCCP further proposes to amend Section 4.9 to clarify the process through which notice of meetings adjourned to another time and place may be given to each member of the Board.[43] Specifically, SCCP proposes to clarify in Section 4.9 that in the absence of a quorum, a majority of the Directors present may adjourn the meeting to another time and place, and that notice of the time, place and purposes of any such adjourned meeting will be given in accordance with the By-Laws. [44] SCCP further proposes to clarify that, if the notice of such adjourned meeting is announced at the meeting at which the adjournment is taken, notice need only be given to the Directors not present at such meeting.[45] SCCP believes this proposed change would provide greater clarity to the By-Laws by providing a clear and practical process for giving notices of adjournments to members of the Board.

Section 4.12 of the By-Laws governs the process for providing notice of any meeting to Directors of the Board as well as related waivers of such notice. SCCP proposes to amend Section 4.12 to remove obsolete references to certain modes of communication (both for transmission and confirmation of receipt) other than facsimile, email, or other means of electronic transmission.[46] SCCP believes this proposed change would provide greater clarity to and facilitate the application of this provision by eliminating modes of communications, such as telegram, telefax, cable, and radio, that are no longer in use. In addition, the proposed amendments reflect current practices, as a substantial amount of communications between NASDAQ and its directors outside of Board meetings occurs in electronic form.

Section 4.13 of the By-Laws governs matters relating to committees of the Board. SCCP proposes to amend Section 4.13(a) of the By-Laws to specify that the Corporation has opted into Section141(c)(2) of Delaware law.[47] Section 141(c) of Delaware law describes the formation and powers of board committees. Opting into Section 141(c)(2) of Delaware law is a common and recommended practice for Delaware corporations such as NASDAQ, in part because it provides corporations with greater flexibility with respect to the formation and powers of board committees, such as by allowing greater delegations of authority, including as it relates to setting terms of stock. SCCP believes that opting into Section 141(c)(2) is appropriate to provide the Corporation with greater flexibility with respect to the functions and powers of committees of the Board.

SCCP further proposes to amend Section 4.13 of the By-Laws to remove from Section 4.13(c) limitations on the ability of committees to take certain actions, such as the authorization of preferred stock designations. As a substitute for that limiting language, SCCP proposes to insert new text in Section 4.13(c) of the By-Laws that would conform this subsection with the Delaware General Corporation Law, which removes limitations on the ability of committees to take certain actions, such as the authorization of preferred stock designations, as it relates to the powers of committees of the Board.[48]

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[35] *See* Section 3.6(d) of the By-Laws.

[36] *See* proposed Section 3.6(d) of the By-Laws.

[37] *See* proposed Section 3.6(h)(ii), Section 3.6(h)(viii), Section 3.6(i)(i), and Section 3.6(k) of the By-Laws.

[38] To effect this proposed change, SCCP proposes to add immediately after the conclusion of current Section 3.6(m) the words ''other than nominees included pursuant to, and in compliance with, Section 14a–19 of the Act.'' *See* proposed Section 3.6(m) of the By-Laws.

[39] *See* proposed Section 3.6(m) of the By-Laws.

[40] To effect this change, SCCP proposes to delete from Section 4.3 of the By-Laws the words ''at least one, but no more than two.'' *See* proposed Section 4.3 of the By-Laws.

[41] *See* Section 4.9 of the By-Laws.

[42] *See* proposed Section 4.9 of the By-Laws.

[43] *See* proposed Section 4.9 of the By-Laws.

[44] *See* proposed Section 4.9 of the By-Laws.

[45] *See* proposed Section 4.9 of the By-Laws. SCCP proposes to make a conforming change to Section 4.9 to delete from the second full sentence thereof the words ''until a quorum be present.'' *See id.*

[46] *See* proposed Section 4.12(a)–(b) of the By-Laws. To effect this change, SCCP proposes to (1) delete from Section 4.12(a)(ii) the words ''telegraph, telefax, cable, radio, wireless'' and substitute therefor the word ''facsimile''; (2) delete from Section 4.12(a)(ii) the word ''written''; and (3) delete from Section 4.12(b) the parenthetical ''(or by telegram, telefax, cable, radio, wireless, email or other means of written electronic transmission and subsequently confirmed in writing or by electronic transmission).'' *See id.*

[47] *See* proposed Section 4.13(a) of the By-Laws. To effect this change, SCCP proposes to insert, as the first full sentence in Section 4.13(a) the words ''The Corporation has opted into Section 141(c)(2) of Delaware law.'' *See id.*

[48] *See* proposed Section 4.13(c) of the By-Laws. To effect this change, SCCP proposes to delete from Section 4.13(c) the words ''amending the Restated Certificate of Incorporation or the By-Laws of the Corporation; adopting an agreement of merger or consolidation; recommending to the stockholders the sale, lease, or exchange of all or substantially all the Corporation's property and assets; or recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution. Unless the resolution of the Board expressly so provides, no committee shall have the power or authority to authorize the issuance of stock.'' SCCP further proposes to amend Section 4.13(c) to insert,

Consistent with proposed changes for Section 4.13(a), SCCP believes this proposed change to Section 4.13(c) of the By-Laws would align this provision with current Delaware General Corporation Law, thereby updating the By-Laws as well as providing the Corporation with greater flexibility with respect to committees of the Board.

SCCP proposes to amend Section 4.13(d)–(g) of the By-Laws to remove all references to limitations on the terms of committee members.[49] To effect that change, SCCP proposes to (1) remove from Section 4.13(d) of the By-Laws the words ''[a]n Executive Committee member shall hold office for a term of one year'';[50] (2) remove from Section 4.13(e) of the By-Laws the words ''[a] Finance Committee member shall hold office for a term of one year'';[51] (3) remove from Section 4.13(f) of the By-Laws the words ''[a] Management Compensation Committee member shall hold office for a term of one year'';[52] and (4) remove from Section 4.13(g) of By-Laws the words ''an Audit Committee member shall hold office for a term of one year.''[53] SCCP believes that deleting all references to committee members having a limited term is appropriate because term limits are not customary in by-laws as they create unnecessary administrative burdens for and limit the flexibility of a board. SCCP notes that the proposed changes also align the By-Laws with current practice as the typical practice of the Board is to provide, in the annual resolutions regarding committee appointments, that committee members are appointed for one year or until their successors are duly elected.

SCCP further proposes to amend Section 4.13(g) of the By-Laws to delete language specifying the Chair of the Audit Committee must be a Public Director.[54] SCCP believes that this proposed change would eliminate unnecessary restrictions regarding, as well as provide the Corporation with greater flexibility with respect to, those who may serve as Audit Committee Chair since the Chair of the Audit Committee must in any event satisfy the independence standards in SEC as well as NASDAQ rules.[55] The proposed change would, for example, allow an issuer representative to be appointed as Chair of the Audit Committee. Finally, SCCP proposes a non-substantive, clarifying change to Section 4.13(g) to provide that the Audit and Risk Committee (or such committee as the same may be renamed from time to time or any successor of such committee delegated with similar duties) shall be known as the ''Audit Committee.''[56] SCCP believes these proposed changes to Section 4.13(g) would provide greater flexibility to the Corporation with respect to those that may serve as Chair of the Audit Committee as well as enhance the clarity of and thus facilitate the application of the By-Laws by making the term ''Audit Committee'' a more clearly defined term.

SCCP proposes to amend Section 4.13(h)(ii) of the By-Laws to remove language providing that a ''majority vote of'' the Board is required to remove a member of the Nominating & Governance Committee.[57] This change removes duplicative language and reduces potential confusion since the voting standards for all decisions of the board are set forth separately in Section 4.9(b) of the By-Laws.

Section 4.13(j) of the By-Laws provides that, in general, a majority of a committee shall constitute a quorum for the transaction of business.[58] SCCP proposes to amend Section 4.13(j) to specify that a majority of the members of a committee then serving in office (rather than a majority of total directors on the committee as Section 4.13(j) currently provides) shall constitute a quorum for the transactions of business.[59] SCCP believes this proposed change would remove barriers to and facilitate the work of Board committees since a vacancy in a committee would not be a barrier to action, as the quorum would be based on the directors then serving rather than the total number of directors on the committee.

(iii) Article VII Officers, Agents, and Employees

Article VII of the By-Laws governs matters relating to the officers, agents, and employees of the Corporation. SCCP proposes to amend certain provisions in Article VII to delete references to a corporate structure that no longer reflects the structure at NASDAQ. Specifically, Article VII generally envisions a corporate structure where a President is a director and/or has executive authority over the entire company. SCCP proposes to amend certain sections of Article VII to delete references to such a structure and replace them with language suited for a corporate structure with multiple presidents, such as the current structure of NASDAQ. To effect these changes, SCCP proposes to amend several provisions of Article VII as follows.

Section 7.1 of the By-Laws governs matters relating to the principal officers of the Corporation. Section 7.1 specifies the principal officers to be elected by the Board, including, among others, a Chair and a President. SCCP proposes to amend Section 7.1 to provide that the principal officers to be elected by the Board may—rather than must—include the roles set out in Section 7.1. SCCP further proposes to amend Section 7.1 to provide that one or more Presidents, rather than only a President, may elected by the Board, among other principal officers. Section 7.1 further provides that in part that one person may not hold the offices and perform the duties of both President and Vice President or of President and Secretary. SCCP proposes to amend Section 7.1 of the By-Laws to delete references to ''President and Vice President or of President'' and substitute therefor the words ''Chief Executive Officer.''[60] As thus proposed, one person could not hold the offices and perform the duties of both Chief Executive Officer and Secretary (rather than of President and Vice President or of President and Secretary).[61]

For the reasons discussed above in connection with Article VII of the By-Laws more broadly, SCCP further proposes to amend Section 7.3 (Subordinate Officers, Agents, or Employees), Section 7.5 (Resignation and Removal of Officers), Section 7.9 (President), Section 7.10 (Vice President), Section 7.11 (Secretary), and Section 7.13 (Treasurer) of the By-Laws as follows.

First, SCCP proposes to delete from Sections 7.3 and 7.5(a) of the By-Laws the following: '', the President.''

immediately after the words ''no committee shall have the power or authority of the Board with regard to:'' the following: ''(a) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by Delaware law to be submitted to stockholders for approval or (b) adopting, amending or repealing any By-Law of the Corporation.'' *See id.*

[49] *See* Section 4.13(d)–(g) of By-Laws.

[50] *See* proposed Section 4.13(d) of By-Laws.

[51] *See* proposed Section 4.13(e) of the By-Laws.

[52] *See* proposed Section 4.13(f) of the By-Laws.

[53] *See* proposed Section 4.13(g) of the By-Laws.

[54] See proposed Section 4.13(g) of the By-Laws.

[55] *See* proposed Section 4.13(g) of the By-Laws. To effect this change, SCCP proposes to insert in the first full sentence of Section 4.13(g) of the By-Laws and immediately after the words ''[t]he Audit'' the words and symbol ''& Risk'' and further insert, immediately following the word ''Committee'' a parenthetical reading as follows: ''(such committee as the same may be renamed from time to time or any successor of such committee delegated with similar duties, the ''Audit Committee'').'' SCCP also proposes to renumber Section 4.13(g)(i) to delete the ''(i)'' and subsume the text of Section 4.13(g)(i) with that of proposed Section 4.13(g). *See* proposed Section 4.13(g) of the By-Laws.

[56] *See* proposed Section 4.13(g) of the By-Laws.

[57] *See* Section 4.13(h) of the By-Laws.

[58] *See* Section 4.13(j) of the By-Laws.

[59] *See* proposed Section 4.13(j) of the By-Laws.

[60] *See* proposed Section 7.1 of the By-Laws.

[61] *See* proposed Section 7.1 of the By-Laws.

With respect to Section 7.9 of the By-Laws, SCCP proposes to (1) delete the words ''[t]he President shall, in the absence of the Chair of the Board and the Chief Executive Officer, preside at all meetings of the Board and stockholders at which the President is present. The President shall have general supervision over the business and affairs of the Corporation,'' substituting therefor the words ''The Board or the Chief Executive Officer may appoint one or more Presidents and each.'' SCCP would further amend Section 7.9 to (1) delete from its final sentence the word ''The'' replacing it with ''Each''; (2) delete also from that final sentence the word ''the'' and replacing it with ''such''; and (3) insert, also in that final sentence and immediately after ''the Board'' the words ''or the Chief Executive Officer.''

With respect to Section 7.11 and Section 7.13 of the By-Laws, SCCP proposes to amend these two sections to delete, from their respective final sentences, the words ''or the President,'' substituting therefore the words ''or any other person delegated such power by the Board or Chief Executive Officer.'' Consistent with similarly proposed changes to Article VII of the By-Laws, SCCP believes that the proposed changes to Sections 7.11 and Section 7.13 of the By-Laws would remove impediments to the proper administration of the By-Laws as they would more closely align such By-Laws with the current corporate structure at NASDAQ as well as provide the Corporation with greater flexibility in the application of these provisions.

SCCP believes the proposed changes to these provisions of Article VII of the By-Laws would enhance the transparency of and facilitate the application of the By-Laws because they replace obsolete or inaccurate textual references to an outdated corporate structure with updated text designed to more closely reflect the current structure of NASDAQ.

Section 7.10 of the By-Laws governs the selection of Vice Presidents. SCCP proposes to amend Section 7.10 of the By-Laws to provide greater clarity with respect to the duties of as well as the process for selecting Vice Presidents of the Corporation. Specifically, SCCP proposes to amend Section 7.10 of the By-Laws to provide that the Board, the Chief Executive Officer or any other person delegated such power by the Board or Chief Executive Officer, may appoint one or more Vice Presidents. SCCP further proposes to clarify that, any Vice President may have such additional designations in such Vice President's title as the Board, the Chief Executive Officer, or the authorized person appointing such Vice President may determine.[62] As proposed, each Vice President would have all powers and duties usually incident to the office of a Vice President, except as specifically limited by the Board, the Chief Executive Officer or the authorized person appointing such Vice President.[63] SCCP also proposes to clarify in the next to final sentence of Section 7.10 that, in addition to the Board and the Chief Executive, as provided under this section, the authorized person appointing such Vice President may also assign such Vice President other duties and powers as the Vice Presidents shall be authorized to exercise and perform pursuant to the By-Laws.[64] SCCP believes that the proposed changes to Section 7.10 of the By-Laws would provide greater clarity with respect to the duties of and the process for selecting the Vice Presidents, thereby facilitating the application of the By-Laws with respect to Vice Presidents of the Corporation.

(iv) Article VIII Indemnification

Section 8.1 of Article VIII of the By-Laws governs indemnification of Directors, officers, employees, and agents of the Corporation. Subsection (j) of Section 8.1 addresses circumstances in which a claim for indemnification or advancement of expenses is not paid in full within 60 days after a written claim under this provision has been received by the Corporation. SCCP proposes to amend Section 8.1(j) to clarify that the Corporation will not be required to pay claims or expenses under this provision if prohibited by law. To effect this change, SCCP proposes to insert within the first full sentence and immediately after ''[the indemnified person] shall be entitled to be paid the expense of prosecuting such claim'' the words ''to the fullest extent permitted by law.''[65] SCCP believes this proposed change is appropriate as it would enhance the clarity of this provision by specifying that the extent of the Corporation's obligation to pay claims or expenses under this provision is limited to those claims or expenses not prohibited by law.

(v) IX Capital Stock

Section 9.2(a) of Article IX of the By-Laws governs requirements for signatures on stock certificates of the Corporation. Section 9.2(a) provides in part that shares of capital stock of the Corporation represented by certificates shall be signed in the name of the Corporation by two officers, with one being the Chair of the Board, the Chief Executive Officer, the President, or a Vice President, and the other being the Secretary, the Treasurer, or such other officer that may be authorized by the Board.

SCCP proposes to amend Section 9.2(a) to broaden the scope of officers authorized to sign stock certificates. Specifically, SCCP proposes to provide that Shares of capital stock of the Corporation represented by certificates shall be signed in the name of the Corporation by two authorized officers which shall include, without limitation, the Chair of the Board, the Chief Executive Officer, the President, any Vice President, the Secretary, and the Treasurer.[66] SCCP believes the proposed changes to Section 9.2(a) would remove unnecessary limitations on officers authorized to sign stock certificates thereby providing greater flexibility in the By-Laws with respect to officers authorized to perform this important function.

Section 9.3 of the By-Laws governs matters relating to holders of record as shown on the stock ledger of the

[62] *See* proposed Section 7.10 of the By-Laws.

[63] *See* proposed Section 7.10 of the By-Laws.

[64] *See* proposed Section 7.10 of the By-Laws. To effect the proposed changes to Section 7.10, SCCP proposes to (1) delete therefrom the words ''The Board shall elect'' and substitute therefor the words ''The Board, the Chief Executive Officer or any other person delegated such power by the Board or Chief Executive Officer, may appoint''; (2) delete, from the second sentence of Section 7.10 the words ''[i]n the absence or disability of the President or if the office of President becomes vacant, the Vice Presidents in the order determined by the Board, or if no such determination has been made, in the order of their seniority, shall perform the duties and exercise the powers of the President, subject to the right of the Board at any time to extend or restrict such powers and duties or to assign them to others''; (3) insert, in the third sentence of Section 7.10 of the By-Laws and immediately following the words ''as the Board'' the words ''the Chief Executive Officer, or the authorized person appointing such Vice President''; (4) delete, from the fourth sentence of Section 7.10 the words ''The Vice Presidents shall generally assist the President in such manner as the President shall direct'' substituting therefor the words ''Each Vice President shall have all powers and duties usually incident to the office of a Vice President, except as specifically limited by the Board, the Chief Executive Officer or the authorized person appointing such Vice President.''; and (5) insert in the final sentence of Section 7.10 of the By-Laws and immediately after the words ''the Chief Executive Officer or the'' the words ''authorized person appointing such Vice.'' *See id.*

[65] *See* proposed Section 8.1(j) of the By-Laws.

[66] *See* proposed Section 9.2 of the By-Laws. To effect this change as well as make conforming changes to Section 9.2 of the By-Laws, SCCP proposes to (1) insert, immediately after ''certificates shall be signed in the name of the Corporation by two'' the word ''authorized''; (2) insert, immediately after ''officers'' the words ''which shall include, without limitation,''; and (3) delete the words ''with one being,'' as well as ''or a,'' ''and the other being,'' and '', or such other officer that may be authorized by the Board.'' *See id.*

Corporation. Section 9.3(b) of the By-Laws provides that the Corporation shall be entitled to treat the holder of record of shares of capital stock as shown on the stock ledger as the owner thereof and as the person entitled to vote such shares and to receive notice of meetings, and for all other purposes. That subsection further provides that the Corporation shall not be bound to recognize any equitable or other claim to or interest in any share of capital stock on the part of any other person, whether or not the Corporation shall have express or other notice thereof.[67] SCCP proposes to amend Section 9.3(b) to provide for the possibility that applicable law might require a different outcome. Specifically, SCCP proposes to provide that the Corporation shall, to the fullest extent permitted by law, be entitled to treat the holder of record of shares of capital stock as shown on the stock ledger as the owner thereof and as the person entitled to vote such shares and to receive notice of meetings, and for all other purposes. As further proposed, Section 9.3 would provide that the Corporation shall not be bound to recognize any equitable or other claim to or interest in any share of capital stock on the part of any other person, whether or not the Corporation shall have express or other notice thereof, except as required by law.[68] SCCP believes the proposed changes to Section 9.3 of the By-Laws would ensure the enforceability of this provision by recognizing that there may be circumstances where its application would be subject to and possibly limited or otherwise affected by applicable law.

Section 9.6 of the By-Laws governs matters relating to lost, stolen, destroyed, and mutilated certificates for shares of stock of the Corporation. Section 9.6 sets out procedures for addressing the issuance of a new certificate or uncertified shares in the event that any certificate for stock of the Corporation becomes mutilated, lost, stolen, or destroyed. SCCP proposes to amend Section 9.6 to delete language providing that the Board or a committee thereof is authorized to take action to address each such instance of lost, stolen, destroyed, or mutilated certificates and in its place provide that the Corporation (rather than solely the Board) shall have the authority to do so.[69] SCCP believes this proposed change would remove obstacles to and facilitate the reissuance of new certificates under the specified circumstances by providing that the Corporation is authorized to act under those circumstances and by removing unnecessary requirements for the Board to take action in each and every instance that that a new certificate to replace a mutilated, lost, stolen, or destroyed certificate is sought.

(vi) Article X Miscellaneous Provisions

Section 10.4 of Article X of the By-Laws governs procedures relating to the execution of instruments, contracts, and the like. SCCP proposes to delete Section 10.4 in its entirety and provide new text to better align the provisions of this section with Nasdaq's policies and procedures on signature authority. Specifically, SCCP proposes to provide that, except as otherwise provided by law, all contracts and other documents requiring signature entered into by or on behalf of the Corporation, including, without limitation, all (i) checks, drafts, bills of exchange, notes, or other obligations or orders for the payment of money, (ii) deeds, bonds, mortgages, contracts, and other obligations or instruments, and (iii) applications, instruments, and papers required by any department of the United States Government or by any state, county, municipal, or other governmental authority, shall, in each case, be executed by such officer(s), employee(s), agent(s), or other person(s) as the Board, a duly authorized committee thereof, or the Chief Executive Officer may designate from time to time. As further proposed, the authority to execute any contract or document in the name and on behalf of the Corporation granted in accordance with this Section may (1) be general or confined to specific instances, (2) be designated by name, title, or role, (3) include the power to delegate signature authority further to one or more other persons, whether by name, title, or role, to the extent authorized by the Board, a duly authorized committee thereof, or the Chief Executive Officer, and (4) be revoked at any time by the Board, any committee thereof, or the Chief Executive Officer.[70] SCCP believes that the proposed changes to Section 10.4 of the By-Laws would enhance clarity and facilitate the application of the By-Laws by removing language that has become obsolete and replacing it with provisions that more closely reflect Nasdaq's current policies and procedures on signature authority.

Section 10.5 of the By-Laws governs the form of records of the Corporation. SCCP proposes to delete Section 10.5 in its entirety and insert in its place new text that would conform this provision with the updated Delaware statute governing signature authority. Specifically, SCCP proposes to provide that any records administered by or on behalf of the Corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or by means of, or be in the form of, any information storage device, method, or one or more electronic networks or databases (including one or more distributed electronic networks or databases), provided that the records so kept can be converted into clearly legible paper form within a reasonable time and otherwise comply with applicable law.[71]

(vii) Article XI Amendments; Emergency By-Laws

Section 11.4 of Article XI of the By-Laws addresses the adoption of emergency by-laws. SCCP proposes to update Section 11.4 to reflect amendments to the emergency by-law provision of the Delaware General Corporation Law. Specifically, SCCP proposes to provide that as provided in Section 11.4, the Board may adopt emergency by-laws which shall be operative during any emergency resulting from ''any emergency resulting from an attack on the United States or on a locality in which the Corporation conducts its business or customarily holds meetings of its Board of Directors or its stockholders, or during any nuclear or atomic disaster or during the existence of any catastrophe, including, but not limited to, an epidemic or pandemic, and a declaration of a national emergency by the United States government, or other similar emergency condition, irrespective of whether a quorum of the Board of Directors or a standing committee thereof can be readily convened for action.'' [72] In addition, and consistent with Delaware General Corporation Law, SCCP proposes to update Section 11.4 to provide, in a final sentence to Section 11.4 of the By-Laws, that ''[n]othing contained in this Section 11.4 shall be deemed exclusive of any other provisions for emergency powers consistent with other sections of Delaware law which have been or may

[67] *See* Section 9.3(b) of the By-Laws.

[68] *See* proposed Section 9.3(b) of the By-Laws.

[69] *See* proposed Section 9.6 of the By-Laws. To effect his change, SCCP proposes to (1) delete from the fourth sentence of Section 9.6 the words ''Board or such committee'' and substitute therefor the word ''Corporation'' and (2) delete from the fifth sentence the word ''Board,'' substituting therefor the word ''Corporation.'' *See id.*

[70] *See* proposed Section 10.4 of the By-Laws.

[71] *See* proposed Section 10.5 of the By-Laws.

[72] *See* proposed Section 11.4 of the By-Laws.

be adopted by corporations created under Delaware law.'' [73]

(viii) Article XIII Forum Selection

SCCP proposes to adopt new language to provide the By-Laws with a customary forum selection provision. To effect this change, SCCP proposes to add a new Article XIII titled ''Forum Selection'' providing as follows: [74]

Unless the Corporation consents in writing to the selection of an alternative forum, (A) (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, other employee or stockholder of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of Delaware law, the Restated Certificate of Incorporation or these By-Laws (as either may be amended or restated) or as to which Delaware law confers jurisdiction on the Court of Chancery of the State of Delaware or (iv) any action asserting a claim governed by the internal affairs doctrine of the law of the State of Delaware shall, to the fullest extent permitted by law, be exclusively brought in the Court of Chancery of the State of Delaware or, if such court does not have subject matter jurisdiction thereof, the federal district court of the State of Delaware; and (B) the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended. Notwithstanding the foregoing, This Section 13.1 shall not apply to claims seeking to enforce any liability or duty created by the Act. To the fullest extent permitted by law, any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Section 13.1.

SCCP believes that this proposed addition of Article XIII to the By-Laws is appropriate as it would provide the Corporation as well as litigants with greater certainty with respect to the applicable judicial forum for addressing claims or actions involving the Corporation.[75]

(ix) Non-Substantive Changes

The remaining proposed amendments to the By-Laws are non-substantive changes designed to simplify and streamline the document. Specifically, SCCP proposes to (1) amend Article I(k) and Article I(m) to correct typographical errors by deleting a period and substituting in its place a semicolon and by inserting a missing parenthesis respectively; (2) make non-substantive clarifying changes to subparagraph (p) of Article I; (3) amend Article I(s) to correct a typographical error by removing a period after ''and''; and (4) delete from Section 3.1(a) the term ''shareholder'' and substitute therefor the word ''stockholder.'' the latter which more closely reflects established terminology of the By-Laws. SCCP believes the proposed non-substantive changes are either administrative or clarifying in nature, and that, as such, they are in the public interest as they are designed to avoid confusion with respect to the operation of the By-Laws thus facilitating their use.

2. Statutory Basis

SCCP believes that the proposed changes are consistent with Section 6(b) of the Act,[76] in general, and furthers the objectives of Section 6(b)(1) of the Act,[77] in particular, in that they enable SCCP to be so organized so as to have the capacity to be able to carry out the purposes of the Act and to comply, and to enforce compliance by its members and persons associated with its members, with the provisions of the Act, the rules and regulations thereunder, and the rules of SCCP. SCCP also believes that the proposed changes are consistent with Section 6(b) of the Act,[78] in general, and furthers the objectives of Section 6(b)(5) of the Act,[79] in particular, in that they are designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

(a) Proposed Changes to the Certificate

SCCP believes the proposed changes to paragraphs A and B of Article Sixth of the Certificate are in the public interest as they would update the Certificate, consistent with developments in Delaware General Corporation Law that enable companies incorporated in Delaware, such as NASDAQ, to limit the liability of certain of their officers in narrow circumstances, as discussed above. SCCP notes that amendments providing for officer exculpation are increasingly common for public companies, and that the number of shareholder proposals calling for such amendments have continued to increase since 2022 when the Delaware law was passed.[80]

(b) Proposed Changes to the By-Laws

SCCP believes that changes proposed for Article III of the By-Laws are in the public interest as they would update the By-Laws and conform them to current practices and developments in the law with respect to corporate matters such as procedures governing the annual and special meetings of stockholders, the conduct of such meetings, and the invocation of proxy access. The proposed changes to Article IV of the By-Laws are either clarifying in nature or otherwise purport to refine governance practices by providing the Corporation with greater flexibility with respect to such matters as the qualifications of Directors, quorum and voting, or otherwise update such provisions to make them more consistent with current governance practices as well as the policies and procedures of NASDAQ. SCCP believes that proposed changes to Articles VII through XIII are in the public interest and consistent with the protection of investors as they are designed to accomplish several objectives, including updating the By-Laws to conform with current practices or recent developments in Delaware General Corporation Law, aligning the By-Laws with current NASDAQ policies and procedures, and enhancing the clarity of the By-Laws thus facilitating their proper application and use. Finally, the remaining changes can be characterized as non-substantive, because they are designed to either correct typographical errors, conform NASDAQ governance documents to terminology in the By-Laws, remove obsolete text, or otherwise make non-substantive revisions to the By-Laws to make them clearer and easier to use.

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

Because the proposed rule change relates to the governance of NASDAQ and not to the operations of SCCP, SCCP

[73] *See* proposed Section 11.4 of the By-Laws. SCCP further proposes to delete from Section 11.4 the following language as it has become obsolete: ''nuclear or atomic disaster, an attack on the United States or on a locality in which the Corporation conducts its business or customarily holds meetings of the Board or the stockholders, any catastrophe, or other emergency condition, as a result of which a quorum of the Board or a committee thereof cannot readily be convened for action.'' *See id.*

[74] *See* proposed Article XIII of the By-Laws.

[75] SCCP notes that the bylaws of Cboe Global Markets, Inc. as well as those of CME Group, Inc., contain forum selection provisions similar to those proposed by SCCP. *See* Article 11 (''Forum for Adjudication of Disputes'') of the Eight Amended and Restated Bylaws of Cboe Global Markets, Inc. (2024) *https://s202.q4cdn.com/174824971/files/doc_governance/2024/Dec/04/Cboe-Global-Markets-Eighth-AR-Bylaws-2ffa4c.pdf;* Article IX, Section 9.1 (''Forum for Adjudication of Certain Disputes'') of the Seventeenth Amended and Restated Bylaws of CME Group, Inc. (2022) *https://www.sec.gov/Archives/edgar/data/1156375/000119312522301477/d412380dex31.htm.*

[76] 15 U.S.C. 78f(b).

[77] 15 U.S.C. 78f(b)(1).

[78] 15 U.S.C. 78f(b).

[79] 15 U.S.C. 78f(b)(5).

[80] *See supra* note 3 and accompanying text.

does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

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

No written comments were either solicited or received.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which SCCP consents, the Commission shall: (a) by order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–SCCP–2025–01 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–SCCP–2025–01. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of SCCP. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–SCCP–2025–01 and should be submitted on or before October 24, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[81]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025–19448 Filed 10–2–25; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–104157; File No. SR–CBOE–2025–075]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing of a Proposed Rule Change To Amend Rule 5.4

September 30, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the ''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on September 30, 2025, Cboe Exchange, Inc. (the ''Exchange'' or ''Cboe Options'') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Rule 5.4(a) to change the minimum increment for all series of options on the Cboe Mini Bitcoin U.S. ETF Index (''MBTX options'') to $0.01 for series trading lower than $3.00 and $0.05 for series trading at $3.00 or higher. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Commission's website (*https://www.sec.gov/rules/sro.shtml*), the Exchange's website (*https://www.cboe.com/us/options/regulation/rule_filings/*), and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rule 5.4(a) to change the minimum increment for all series of options on the Cboe Mini Bitcoin U.S. ETF Index (''MBTX options'') to $0.01 for series trading lower than $3.00 and $0.05 for series trading at $3.00 or higher. The Exchange believes market demand (including by retail investors, who generally prefer lower trading increments) supports a lower trading increment for MBTX options. Options overlying the components of the Cboe Mini Bitcoin U.S. ETF Index (and the underlying exchange-traded funds (''ETFs'')[3]) are actively traded. The Exchange expects this more granular pricing to lead to narrowing of the bid-ask spread for these options and increase the possible number of price points available to investors for these series. The Exchange believes tighter spreads will increase order flow in MBTX options, which additional liquidity ultimately benefits all investors. Finer increments also permit more precise pricing in line with the theoretical value of these options.

With regard to the impact of this proposed rule change on system capacity, the Exchange has analyzed its capacity and represents that it and the Options Price Reporting Authority have the necessary systems capacity to handle any potential additional traffic associated with this proposal. The Exchange does not believe any potential

[81] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See https://cdn.cboe.com/api/global/us_indices/governance/Cboe_Bitcoin_US_ETF_Index_Methodology.pdf* (which requires each constituent to have monthly consolidated trading volume of at least 500,000 shares for each month within the immediately preceding six-month period, an average consolidated trading volume of at least 1,000,000 shares over the immediately preceding six months, and a market capitalization of at least $75 million).

increased traffic will become unmanageable since this proposed rule change with respect to minimum trading increments is limited to a single class of options.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the ''Act'') and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[4] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[5] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[6] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes the proposed rule change will protect investors and the public interest. As discussed above, the Exchange believes market demand (including by retail investors, who generally prefer lower trading increments) supports a lower trading increment for MBTX options. Options overlying the components of the Cboe Magnificent 10 Index are among the most actively traded options (as are the underlying stocks), the most actively traded of which (iShares Bitcoin Trust (''IBIT'')) is eligible for a lower trading increment, supporting the view that there will be market demand for the proposed trading increments for MBTX options. The proposed rule change will permit more granular pricing in MBTX options, which may lead to narrower bid-ask spreads for these options and increase the possible number of price points available to investors for these series, which ultimately increases liquidity to the benefit of all investors. The Exchange believes tighter spreads will also increase order flow in MBTX options, which additional liquidity ultimately benefits all investors. Further, finer increments also permit more precise pricing in line with the theoretical value of these options.

Additionally, the Exchange believes the proposed rule change will promote just and equitable principles of trade and remove impediments to and perfect the mechanism of a free and open market and a national market system because it will permit MBTX options to trade at the same level of granularity as permitted for IBIT options, which is the primary competitive product for MBTX options.[7] As a result, the Exchange believes MBTX options should be eligible for the same pricing increments for competitive reasons to allow the Exchange to price these weekly options at the same level of granularity as permitted for competitor products.[8] Market participants may also use IBIT options to hedge MBTX options or as part of other investment strategies involving IBIT options. Therefore, having the pricing increments for MBTX options aligned with these related products will permit investors to trade related products at more granular prices that may be more aligned with their investment objectives. The Exchange notes that MBTX options are eligible for complex order trading, which permits the legs to execute in penny increments, and the automated improvement mechanism (''AIM'') auction for simple orders, which also permits penny executions.[9] Therefore, current rules already allow MBTX options to trade in penny increments in certain situations.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change will not impose any burden on intramarket competition that is not necessary or appropriate, because all Trading Permit Holders will be able to trade MBTX options in the proposed minimum trading increments. The proposed rule change will not impose any burden on intermarket competition that is not necessary or appropriate, because it will permit MBTX options to have pricing consistent with the pricing of its largest competitor product (IBIT options), which is part of the Penny Interval Program and may currently trade in increments of $0.01 or $0.05. Additionally, the proposed rule change to permit MBTX options to be listed in penny and nickel increments may relieve any burden on, or otherwise promote, competition, as it will allow market participants to trade these options at the same level of granularity as permitted for competitor products, as discussed above. The Exchange also expects the more granular pricing to lead to narrowing of the bid-ask spread for these options, which the Exchange believes will increase order flow and price competition in MBTX options.

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

The Exchange neither solicited nor received comments on the proposed rule change.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

A. by order approve or disapprove such proposed rule change, or

B. institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov*. Please include file number SR–CBOE–2025–075 on the subject line.

[4] 15 U.S.C. 78f(b).

[5] 15 U.S.C. 78f(b)(5).

[6] *Id.*

[7] IBIT is a component of the underlying index, and those options qualify for the Penny Interval Program under Rule 5.4(a) and is the 13th most actively traded equity option (based on six-month trading volume as of September 19, 2025).

[8] The Exchange notes that other index options that trade on the Exchange are currently permitted to trade in smaller increments because competitive products are able to trade in those smaller increments. *See* Rule 5.4 (the minimum for XSP options is $0.01 because that is the minimum increment for SPY options, and the minimum increment for DJX options is $0.01 for series below $3 and $0.05 for series $3 and above because that is the minimum increment for DIA options).

[9] *See* Rule 5.37(a)(4).

Paper Comments

• Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–CBOE–2025–075. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–CBOE–2025–075 and should be submitted on or before October 24, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[10]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025–19444 Filed 10–2–25; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–104156; File No. SR–BSECC–2025–001]

Self-Regulatory Organizations; Boston Stock Exchange Clearing Corporation; Notice of Filing of Proposed Rule Change To Amend the Amended and Restated Certificate of Incorporation and By-Laws of Its Parent Corporation, Nasdaq, Inc.

September 30, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on September 29, 2025, Boston Stock Exchange Clearing Corporation (''BSECC'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by BSECC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

BSECC proposes to amend the Amended and Restated Certificate of Incorporation (''Certificate'') and By-Laws (''By-Laws'') of its parent corporation, Nasdaq, Inc. (''NASDAQ'' or ''Corporation''). The proposed changes would align the Certificate with certain amendments to the Delaware General Corporation Law as well as update the By-Laws to reflect recent changes in law and best practices, as discussed below.

The text of the proposed rule change is available on BSECC's website at *https://listingcenter.nasdaq.com/rulebook/bsecc/rulefilings,* and at the principal office of BSECC.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, BSECC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. BSECC has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

BSECC is proposing to update the Certificate to reflect certain amendments to the Delaware General Corporation Law. BSECC is also proposing to update the By-Laws to reflect recent changes in law and best practices as discussed below.

(a) Proposed Amendments to the Certificate

(1) Background

On April 23, 2025, NASDAQ's Board of Directors approved proposed amendments to the Certificate to provide for limited officer exculpation. On June 11, 2025, NASDAQ held its Annual Meeting of Stockholders, during which its stockholders considered and approved the Certificate amendments. In 2022, Delaware amended the Delaware General Corporation Law to enable companies incorporated in Delaware, such as NASDAQ, to limit the liability of certain of their officers in narrow circumstances. This change was made to address situations where directors would be dismissed from litigation, but the officers, who were not exculpated, had to continue in the litigation to show their actions were not grossly negligent. Generally, this issue arises in the mergers and acquisitions context and often relates to claims that a particular disclosure document was deficient.

The Certificate amendment would exculpate covered officers from monetary liability for breach of the duty of care in a manner similar to that already permitted for directors. However, it would not exculpate such officers in connection with derivative actions. Failing to adopt the Certificate amendment could potentially expose the Company to higher litigation expenses associated with lawsuits, regardless of merit, and/or impact the Company's recruitment and retention of exceptional officer candidates who conclude that the potential exposure to liabilities, costs of defense, and other risks of proceedings exceed the benefits of serving as one of the Company's officers. BSECC notes that amendments providing for officer exculpation are increasingly common for public companies, and that the number of shareholder proposals calling for such amendments—the majority of which have been approved by wide margins—have continued to increase since 2022 when the Delaware law was passed.[3]

Under NASDAQ'S Certificate and By-Laws, BSECC must determine whether proposed amendments to the Certificate must be filed with the Commission prior to taking effect. On April 30, 2025, the Board of BSECC determined that the proposed amendments to the Certificate must be filed with the Commission.

(2) Proposed Amendments

To effect the changes discussed above, BSECC proposes to amend Article Sixth of NASDAQ's Amended and Restated Certificate of Incorporation as follows. Paragraph A of Article Sixth of the Certificate provides that ''[a] director of Nasdaq shall not be liable to Nasdaq or its stockholders for monetary damages for breach of fiduciary duty as a

[10] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See, e.g.,* Andrew J. Noreuil and Andrew J. Stanger, *Developments and Trends in Delaware Officer Exculpation Charter Amendments,* Harv. L. Sch. F. On Corp. Governance (June 14, 2024), *https://corpgov.law.harvard.edu/2024/06/14/developments-and-trends-in-delaware-officer-exculpation-charter-amendments/;* Megan W. Shaner, *Understanding Officer Exculpation Under the MBCA Amendments,* Bus. L. Today (Nov. 19, 2024) *https://businesslawtoday.org/2024/11/understanding-officer-exculpation-mbca-amendments/.*

director, except to the extent that such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended.'' Paragraph B of Article Sixth provides that ''[a]ny repeal or modification of paragraph A shall not adversely affect any right or protection of a director of Nasdaq existing hereunder with respect to any act or omission occurring prior to such repeal or modification.'' In each of these provisions, BSECC proposes to add, after each instance of the word ''director,'' the words ''or officer.'' [4]

BSECC believes the proposed changes to paragraphs A and B of Article Sixth of the Certificate would update the Certificate to reflect amendments to the Delaware General Corporation Law [5] that enable companies incorporated in Delaware, such as NASDAQ, to limit the liability of certain of their officers in narrow circumstances, as discussed above.

(b) Proposed Amendments to the By-Laws

(1) Background

On April 23, 2025, NASDAQ's Board of Directors approved proposed amendments to the By-Laws to reflect changes in law and best practices that have occurred since the most recent amendments to the By-Laws in 2016. As discussed above, under NASDAQ's Certificate and By-Laws, BSECC must determine whether proposed amendments to the By-Laws must be filed with the Commission prior to taking effect. On April 30, 2025, BSECC determined that the proposed amendments to the By-Laws must be filed with the Commission.

(2) Proposed Amendments

To effect the changes discussed above, BSECC proposes to amend the By-Laws as follows.

(i) Article III Meetings of Stockholders

Section 3.1(b) of Article III of the By-Laws sets forth the requirements for a stockholder's notice to NASDAQ of nominations or other business to be considered at an annual meeting. Section 3.1(b)(i) of the By-Laws currently sets forth the information that a stockholder must provide to NASDAQ about each person whom the stockholder proposes to nominate for election as a director. Section 3.1(b)(i) of the By-Laws provides in part that the Corporation may require any proposed nominee to furnish such other information it may reasonably require to determine the eligibility of such proposed nominee to serve as director of the Corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack of independence, of such proposed nominee.[6] BSECC proposes to amend Section 3.1(b)(i) to narrow the scope of information that may be requested under this provision. Specifically, BSECC proposes to provide that the Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine whether the-proposed nominee is qualified under the Restated Certificate of Incorporation, the By-Laws, the rules and regulations of any stock exchange applicable to the Corporation, or any law or regulation applicable to the Corporation to serve as a director and/or independent director of the Corporation.[7] BSECC believes that the proposed changes address concerns that the current provision is unnecessarily open-ended by limiting the information that may be requested to information on the nominee's qualifications to serve as director and/or independent director of the Corporation. BSECC also proposes certain clarifying changes to Section 3.1(b)(i) of the By-Laws. Specifically, BSECC proposes to insert, in its first full sentence, the word ''Corporation's'' and the words ''of such Proposing Person and in the accompanying proxy card.'' [8]

BSECC believes these proposed non-substantive changes would facilitate the application of this provision by rendering it more specific and clearer to understand.

Section 3.1(b) of the By-Laws sets forth requirements for notices from a Proposing Person [9] to NASDAQ regarding nominations or other business to be considered at an annual meeting. Section 3.1(b)(iii) of the By-Laws sets out the information required to be provided with respect to each Proposing Person. Information required to be provided under current Section 3.1(b)(iii)(C) includes ''a description of any agreement, arrangement or understanding with respect to the nomination or proposal between or among such stockholder and/or such beneficial owner, any of their respective affiliates or associates, and any others acting in concert with any of the foregoing.'' [10] BSECC proposes to amend Section 3.1(b)(iii)(C) to delete the reference to others ''acting in concert with any of the foregoing.'' [11] BSECC believes this proposed change is appropriate to conform the By-Laws to current practices because the ''acting in concert'' language has been challenged by plaintiffs or otherwise used in search of potential litigation targets. BSECC thus believes it is appropriate to delete such language from the advance notice requirements under this section of the By-Laws.[12]

Section 3.1(b)(iii)(I) requires that a Proposing Person describe any significant equity interest or any Synthetic Equity Interest or Short Interest in any principal competitor of the Corporation held by such Proposing Person. BSECC proposes to add a parenthetical stating the term ''principal

[4] *See* proposed Article Sixth of the Certificate.

[5] *See* 8 Del. C. Section 102(b)(7).

[6] *See* Section 3.1(b)(1) of the By-Laws. As discussed below, BSECC is also proposing a non-substantive change to Section 3.1(a) of the By-Laws to delete the term ''shareholder'' and substitute therefor the word ''stockholder'' to more closely track established terminology of the By-Laws and thus make them clearer and easier to understand. *See* proposed Section 3.1(a) of the By-Laws.

[7] To effect these changes, BSECC proposes to delete, from the final sentence of Section 3.1(b)(i) the following: (1) the romanette (i); (2) the words ''eligibility of such''; and (3) the phrase ''or (ii) that could be material to a reasonable stockholder's understanding of the independence, or lack of independence, of such proposed nominee.'' Further, BSECC proposes to amend the final sentence of Section 3.1(b)(i) of the By-Laws as follows: (1) insert, immediately after the words ''to determine'' the word ''whether''; (2) insert, immediately after ''proposed nominee, the words ''is qualified under the Restated Certificate of Incorporation, these By-Laws, the rules and regulations of any stock exchange applicable to the Corporation, or any law or regulation applicable to the Corporation''; and (3) insert, immediately after the words ''to serve as a director'' the phrase ''and/or independent director.'' *See* proposed Section 3.1(b)(i) of the By-Laws. As discussed below, BSECC is also proposing a non-substantive change to Section 3.1(a) of the By-Laws to delete therefrom the word ''shareholder'' and substitute therefor the word ''stockholder.'' *See* proposed Section 3.1(a) of the By-Laws.

[8] *See* proposed Section 3.1(b)(i) of the By-Laws. BSECC also proposes a non-substantive change to Section 3.1(b)(i) to replace the term ''Requesting Person'' with ''Proposing Person'' as that term and not ''Requesting Person,'' is defined in the Section 3.1(c) of the By-Laws.

[9] The term '' Proposing Person'' means ''(i) the stockholder providing the notice of business or the notice of the nomination, as applicable, proposed to be brought before an annual meeting, (ii) any beneficial owner or beneficial owners, if different, on whose behalf such business is proposed to be brought before the meeting or the notice of the nomination proposed to be made at the meeting is made, as applicable, and (iii) any affiliate or associate (each within the meaning of Rule 12b–2 under the Act for purposes of these By-Laws) of such stockholder or beneficial owner.'' *See* Section 3.1(c) of the By-Laws.

[10] *See* Section 3.1(b)(iii)(C) of the By-Laws.

[11] *See* proposed Section 3.1(b)(iii)(C) of the By-Laws. BSECC is also proposing conforming changes to express ''others'' in the singular ''other'' and to add, immediately thereafter, the word ''person.''

[12] As proposed, Section 3.1(b)(iii)(C) would require the Proposing Person to describe ''any agreement, arrangement or understanding with respect to the nomination or proposal between or among such stockholder and/or such beneficial owner, any of their respective affiliates or associates, and any other person.'' *See* proposed Section 3.1(b)(iii)(C) of the By-Laws.

competitor'' as used in this subsection shall be ''as defined for purposes of Section 8 of the Clayton Antitrust Act of 1914.'' [13] BSECC believes that the proposed change would address a textual ambiguity in this subsection by providing greater clarity with respect to the scope of the term ''principal competitor,'' which the current subsection does not define.

Section 3.1(b)(iii)(J) further requires a Proposing Person to describe any direct or indirect interest of such Proposing Person in any contract with the Corporation, any affiliate of the Corporation, or any principal competitor of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement.[14] BSECC proposes adding two parentheticals to this subsection. The first parenthetical would state that an ''affiliate,'' as that term is used in this subsection, would be ''as reflected on the most recent Form 10–K of the Corporation.'' [15] The second parenthetical would clarify that ''principal competitor,'' as provided in this subsection, would be ''as defined for purposes of Section 8 of the Clayton Antitrust Act of 1914.'' [16] BSECC believes that the proposed changes would address textual ambiguities in this subsection by providing greater clarity with respect to the scope of the terms ''affiliate'' and ''principal competitor,'' which terms the current subsection does not define.

Section 3.1(b)(iii)(K) further requires Proposing Persons to describe any pending or threatened litigation in which such Proposing Person is a party or material participant involving the Corporation or any of its officers or Directors, or any affiliate of the Corporation.[17] BSECC proposes to add a parenthetical to clarify, consistent with proposed changes to Section 3.1(b)(iii)(J), that an ''affiliate,'' as used in this subsection, shall be ''as reflected on the most recent Form 10–K of the Corporation.'' [18]

Section 3.1(b)(iii)(L) of the By-Laws requires Proposing Persons to describe any material transaction occurring, in whole or in part, during the then immediately preceding 12-month period between such Proposing Person, on the one hand, and the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation. Consistent with proposed changes to Section 3.1(iii)(b)(I)–(K), BSECC proposes adding two parentheticals: the first stating that an ''affiliate,'' as that term is used in this subsection, would be ''as reflected on the most recent Form 10–K of the Corporation;'' [19] the second would clarify that ''principal competitor,'' as provided in this subsection, would be ''as defined for purposes of Section 8 of the Clayton Antitrust Act of 1914.'' [20] BSECC believes that these proposed changes to Section 3.1(b)(iii)(L) would—consistent with similarly proposed changes to Section 3.1(b)(iii)(I)–(K)—provide greater clarity with respect to the meaning of the terms ''affiliate'' and ''principal competitor,'' which terms the current Section 3.1(b)(iii)(L) does not define.

Section 3.1(b)(iii)(O) requires notice to the Corporation if a Proposing Person intends to act as part of a group to solicit or deliver proxies in support of a proposal or the election of a nominee under specified circumstances. Specifically, Section 3.1(b)(iii)(O) of the By-Laws requires a representation as to whether the Proposing Person intends or is part of a group which intends (1) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (2) otherwise to solicit *proxies* from stockholders in support of such proposal or nomination.[21] BSECC proposes to amend to Section 3.1(b)(iii)(O) to clarify, in Section 3.1(b)(iii)(O)(2), that the representation required to be provided under that subsection would extend to the solicitation of proxies *or votes* from stockholders in support of any proposal or proposed nominee.[22] As further proposed, new Section 3.1(b)(iii)(O)(3) would specify that the representation required under Section 3.1(b)(iii) extends to whether the Proposing Person intends or is part of a group which intends ''to solicit proxies or votes in support of any proposed nominee in accordance with Rule 14a–19 promulgated under the Act.'' [23]

BSECC believes that the proposed changes to Section 3.1(iii)(O) enhance the transparency of this provision by providing greater specificity with respect to the content of representations required to be provided under this subsection. Similarly, proposed Section 3.1(iii)(O)(3) would enhance the clarity of this provision by specifying that the representation required under this section extends to whether the stockholder intends to act as part of a group to solicit proxies under the SEC's universal proxy rule.

Section 3.1(d) of the By-Laws addresses stockholder notice requirements with respect to nominees for additional directorships if the number of directors to be elected to the Board at an annual meeting is increased effective at the annual meeting.[24] Section 3.1(d) provides no limitations on the number of nominees that may be nominated under such circumstances.[25] BSECC proposes to amend Section 3.1(d) to set limits on the number of nominees that may be nominated in such cases to not exceed the number of directors to be elected at the subject annual meeting. Specifically, BSECC proposes to provide, in a new final sentence to Section 3.1(d) of the By-Laws, that the number of nominees a Proposing Person may nominate for election at the annual meeting on its own behalf (or in the case of a Proposing Person giving the notice on behalf of a beneficial owner, the number of nominees a Proposing Person may nominate for election at the annual meeting on behalf of such beneficial owner) shall not exceed the number of directors to be elected at such annual meeting.[26]

BSECC believes that the proposed changes to Section 3.1(d) of the By-Laws would align the By-Laws with current practices by safeguarding against the practice of proposing multiple nominees and then deciding—at the last minute—which nominees will actually stand for election. This in turn would spare the Corporation and its stockholders from needless expenditure of time and resources to vet the surplus nominees.

Section 3.2(a) of the By-Laws addresses requirements for requesting a special meeting of the stockholders, including procedures for determining the requisite percentage of stockholders necessary to support a special meeting request. BSECC proposes to amend Section 3.2(a) of the By-Laws to remove

[13] *See* proposed Section 3.1(b)(iii)(I) of the By-Laws.

[14] *See* Section 3.1(b)(iii)(J) of the By-Laws

[15] *See* proposed Section 3.1(b)(iii)(J) of the By-Laws.

[16] *See id.*

[17] *See* Section 3.1(b)(iii)(K) of the By-Laws.

[18] *See* proposed Section 3.1(b)(iii)(K) of the By-Laws.

[19] *See* proposed Section 3.1(b)(iii)(I)–(K) of the By-Laws.

[20] *See id.*

[21] *See* Section 3.1(b)(iii)(O) of the By-Laws.

[22] To effect this change, BSECC proposes to insert, immediately after ''otherwise to solicit proxies'' in Section 3.1(b)(iii)(O)(2), the words ''or votes.'' *See* proposed Section 3.1(b)(iii)(O)(2).

[23] *See* proposed Section 3.1(b)(iii)(O)(3) of the By-Laws. BSECC proposes a conforming change to insert, at the conclusion of Section 3.1(b)(iii)(O)(2) the following: ''and/or.'' *See* proposed Section 3.1(b)(iii)(O)(2) of the By-Laws.

[24] *See* Section 3.1(d) of the By-Laws.

[25] *See id.*

[26] *See* proposed Section 3.1(d) of the By-Laws.

the phrase ''acting in concert'' and substitute therefor the words ''knowingly coordinating.'' [27] BSECC believes this proposed change would mitigate against the potential for plaintiff's firms to leverage the ''acting in concert'' requirement to find targets for potential litigation.

BSECC further proposes to amend Section 3.2(a) to remove a reference to the binding nature of the Board's determination with respect to whether the special meeting request is in proper form.[28] Specifically, BSECC proposes to delete from the final sentence in Section 3.2(a) the words ''and such determination shall be binding on the Corporation and the stockholders.'' [29] BSECC believes that the proposed changes would align the By-Laws with current practices because it would remove all references to the binding or final nature of Board actions, which language has been the challenged on the basis that it purports to limit or foreclose judicial review by Delaware courts.

Section 3.3 of the By-Laws governs determinations regarding nominations or business eligible to be considered at annual or special meetings. Section 3.3(a) provides, in part, that the chairman of the meeting has the power and duty to determine whether a nomination or business proposed to be brought before the meeting was made or proposed in accordance with the By-Laws and, if not so made or proposed, to declare that such nomination or business shall be disregarded.[30] BSECC proposes to amend that provision of Section 3.3(a) to add a parenthetical stating that, in advance of any meeting of stockholders, the Board of Directors or an authorized committee thereof shall have the same powers and duties, including the power to declare that a particular nomination or business shall be disregarded.[31] BSECC believes the proposed changes align the By-Laws with current practices because plaintiffs have argued that a determination to disregard a matter from consideration at a meeting should be subject to fiduciary duties. The proposed changes clarify that the chair of a meeting must be a director or officer whose decisions, in turn, are subject to fiduciary duties.

BSECC further proposes to amend Section 3.3(a) to clarify that the Corporation may disregard nominees proposed by a stockholder under the Commission's universal proxy rule if the shareholder has failed to comply with that rule. To effect that change, BSECC proposes to insert, at the conclusion of current Section 3.3(a), new text providing as follows:

> Notwithstanding anything to the contrary in these By-Laws, unless otherwise required by law, if any Proposing Person (i) provides notice pursuant to Rule 14a–19(b) promulgated under the Act with respect to any proposed nominee and (ii) subsequently fails to comply with the requirements of Rule 14a–19(a)(2) or Rule 14a–19(a)(3) promulgated under the Act (or fails to timely provide reasonable evidence sufficient to satisfy the Corporation that such Proposing Person has met the requirements of Rule 14a–19(a)(3) promulgated under the Act in accordance with the following sentence), then the nomination of each such proposed nominee shall be disregarded, notwithstanding that proxies or votes in respect of the election of such proposed nominees may have been received by the Corporation (which proxies and votes shall be disregarded). Upon request by the Corporation, if any Proposing Person provides notice pursuant to Rule 14a–19(b) promulgated under the Act, such Proposing Person shall deliver to the Corporation, no later than five (5) business days prior to the applicable meeting, reasonable evidence that it has met the requirements of Rule 14a–19(a)(3) promulgated under the Act.

This proposed change to Section 3.3(a) would align the By-Laws with current practices by specifying that failure to comply with requirements of the Commission's universal proxy rule would constitute grounds for the Corporation to disregard a stockholder's proposed nomination, as well as setting out redress procedures for stockholders seeking to demonstrate that such requirements have been met.

Section 3.4 of the By-Laws governs the conduct of meetings. Section 3.4 provides in part that the date and time of the opening and closing of the polls for each matter to be voted upon at a meeting must be announced at the meeting by the person presiding over the meeting. BSECC proposes to amend Section 3.4 to clarify, consistent with the advance notice provisions in Section 3.1 of the By-Laws, that the person presiding over a meeting must be a chairman of the meeting who shall be an officer or director of the Corporation.[32] BSECC believes this proposed change enhances the clarity of Section 3.4 by specifying, consistent with the advance notice provisions under Section 3.1 of the By-Laws, that the chairman and presiding person of the meeting must be an officer or director of the Corporation. Section 3.4 also provides in part that the person presiding over a meeting shall have the right to, among other things, convene and adjourn the meeting.[33] BSECC proposes to clarify that the presiding person also shall have the right to recess the meeting for any or no reason.[34] BSECC believes this proposed change will make explicit that the presiding person's rights with respect to the conduct of the meeting includes the right to recess the meeting for any or no reason, thereby enhancing the clarity and transparency of this rule.

Section 3.6(d) of the By-Laws governs the amount of shares that a stockholder must own to invoke proxy access. Section 3.6(d) provides in part that ''[w]hether outstanding shares of the common stock of the Corporation are 'owned' for these purposes shall be determined by the Board or any committee thereof, in each case, in its sole discretion.'' [35] BSECC proposes to amend Section 3.6(d) to delete therefrom the words ''in each case, in its sole discretion.'' [36] BSECC further proposes to remove from Section 3.6(h)(ii), Section 3.6(h)(viii), Section 3.6(i)(i), and Section 3.6(k) of the By-Laws similar references to the finality or ''binding'' nature of decisions by the Board (or persons authorized by the Board), any committee thereof, or the chairman of a meeting of stockholders.[37] These proposed changes align the By-Laws with current practice because provisions that purport to assign a binding effect to or otherwise finality to the decisions of the Board—such as those proposed to be deleted—are likely targets by litigants who argue that such

[27] *See* proposed Section 3.2 of the By-Laws.

[28] *See* Section 3.2(a) of the By-Laws.

[29] *See* proposed Section 3.2(a) of the By-Laws. BSECC further proposes to make a non-substantive change to Section 3.2(a) of the By-Laws to capitalize the word ''secretary'' to conform to other usages of such word in the By-Laws. BSECC also proposes to correct a typographical error in Section 3.2(c) of the By-Laws to express the word ''Business'' therein in the singular as ''business'' is not a defined term. *See* proposed Section 3.2(c) of the By-Laws.

[30] *See* Section 3.3(a) of the By-Laws.

[31] *See* proposed Section 3.3 of the By-Laws. To effect this change, BSECC proposes to insert, immediately after the words ''Except as otherwise provided by law, the chairman of the meeting'' a parenthetical to read as follows: ''(or, in advance of any meeting of stockholders, the Board of Directors or an authorized committee thereof).'' BSECC also proposes to make a non-substantive conforming change to Section 3.3(a) to insert, immediately after the word ''proxies'' in the second full sentence of Section 3.3(a) the words ''or votes,'' consistent with changes proposed for Section 3.1(b)(iii)(O) of the By-Laws.

[32] *See* proposed Section 3.4 of the By-Laws. To effect this change, BSECC proposes to insert, in the first full sentence of Section 3.4 and immediately after ''shall be announced at the meeting by the'' the words ''chairman of the meeting who shall be an officer or director of the Corporation and who shall be the.'' *See id.*

[33] *See* Section 3.4 of the By-Laws.

[34] *See* proposed Section 3.4 of the By-Laws.

[35] *See* Section 3.6(d) of the By-Laws.

[36] *See* proposed Section 3.6(d) of the By-Laws.

[37] *See* proposed Section 3.6(h)(ii), Section 3.6(h)(viii), Section 3.6(i)(i), and Section 3.6(k) of the By-Laws.

provisions unlawfully purport to foreclose judicial review.

Finally, Section 3.6(m) provides that Section 3.6 shall be the exclusive method for stockholders to include nominees for director in the Corporation's proxy materials. BSECC proposes to amend Section 3.6(m) to provide an exception for nominees for director in the Corporation's proxy materials submitted pursuant to, and in compliance with, the Commission's universal proxy rule.[38] The proposed changes to Section 3.6(m) align the By-Laws with current practice by providing that, in addition to the exclusive method set out in Section 3.6 of the By-Laws, stockholders may also include nominees for such purposes pursuant to and consistent with requirements under the SEC's universal proxy rule.[39]

(ii) Article IV Board of Directors

Section 4.3 of Article IV of the By-Laws governs qualifications for Directors of the Corporation. This section currently provides in part the Board may include at least one, but not more than two, Issuer Directors. BSECC proposes to amend Section 4.3 to remove limitations on the number Issuers Directors on the Board.[40] The proposed change would provide the Corporation with greater flexibility with respect to the number of Issuer Directors that may be members of the Board, as NASDAQ is frequently in search of officers of NASDAQ-listed companies to join the Board.

Section 4.9 of the By-Laws governs quorum and voting. Section 4.9 provides in part that, in general, a quorum for the transaction of all business at all meetings of the Board shall consist of a majority of the Board.[41] BSECC proposes to make a clarifying change to specify that for purposes of this section, a majority of the Board, means a majority of the total numbers of directors constituting the Board.[42] BSECC believes this proposed change would provide greater clarity to and facilitate the application of this provision. BSECC further proposes to amend Section 4.9 to clarify the process through which notice of meetings adjourned to another time and place may be given to each member of the Board.[43] Specifically, BSECC proposes to clarify in Section 4.9 that in the absence of a quorum, a majority of the Directors present may adjourn the meeting to another time and place, and that notice of the time, place and purposes of any such adjourned meeting will be given in accordance with the By-Laws.[44] BSECC further proposes to clarify that, if the notice of such adjourned meeting is announced at the meeting at which the adjournment is taken, notice need only be given to the Directors not present at such meeting.[45] BSECC believes this proposed change would provide greater clarity to the By-Laws by providing a clear and practical process for giving notices of adjournments to members of the Board.

Section 4.12 of the By-Laws governs the process for providing notice of any meeting to Directors of the Board as well as related waivers of such notice. BSECC proposes to amend Section 4.12 to remove obsolete references to certain modes of communication (both for transmission and confirmation of receipt) other than facsimile, email, or other means of electronic transmission.[46] BSECC believes this proposed change would provide greater clarity to and facilitate the application of this provision by eliminating modes of communications, such as telegram, telefax, cable, and radio, that are no longer in use. In addition, the proposed amendments reflect current practices, as a substantial amount of communications between NASDAQ and its directors outside of Board meetings occurs in electronic form.

Section 4.13 of the By-Laws governs matters relating to committees of the Board. BSECC proposes to amend Section 4.13(a) of the By-Laws to specify that the Corporation has opted into Section 141(c)(2) of Delaware law.[47] Section 141(c) of Delaware law describes the formation and powers of board committees. Opting into Section 141(c)(2) of Delaware law is a common and recommended practice for Delaware corporations such as NASDAQ, in part because it provides corporations with greater flexibility with respect to the formation and powers of board committees, such as by allowing greater delegations of authority, including as it relates to setting terms of stock. BSECC believes that opting into Section 141(c)(2) is appropriate to provide the Corporation with greater flexibility with respect to the functions and powers of committees of the Board.

BSECC further proposes to amend Section 4.13 of the By-Laws to remove from Section 4.13(c) limitations on the ability of committees to take certain actions, such as the authorization of preferred stock designations. As a substitute for that limiting language, BSECC proposes to insert new text in Section 4.13(c) of the By-Laws that would conform this subsection with the Delaware General Corporation Law, which removes limitations on the ability of committees to take certain actions, such as the authorization of preferred stock designations, as it relates to the powers of committees of the Board.[48] Consistent with proposed changes for Section 4.13(a), BSECC believes this proposed change to Section 4.13(c) of the By-Laws would align this provision with current Delaware General Corporation Law, thereby updating the By-Laws as well as providing the Corporation with greater flexibility with respect to committees of the Board.

BSECC proposes to amend Section 4.13(d)–(g) of the By-Laws to remove all references to limitations on the terms of committee members.[49] To effect that change, BSECC proposes to (1) remove from Section 4.13(d) of the By-Laws the words ''[a]n Executive Committee

[38] To effect this proposed change, BSECC proposes to add immediately after the conclusion of current Section 3.6(m) the words ''other than nominees included pursuant to, and in compliance with, Section 14a–19 of the Act.'' *See* proposed Section 3.6(m) of the By-Laws.

[39] *See* proposed Section 3.6(m) of the By-Laws.

[40] To effect this change, BSECC proposes to delete from Section 4.3 of the By-Laws the words ''at least one, but no more than two.'' *See* proposed Section 4.3 of the By-Laws.

[41] *See* Section 4.9 of the By-Laws.

[42] *See* proposed Section 4.9 of the By-Laws.

[43] *See* proposed Section 4.9 of the By-Laws.

[44] *See* proposed Section 4.9 of the By-Laws.

[45] *See* proposed Section 4.9 of the By-Laws. BSECC proposes to make a conforming change to Section 4.9 to delete from the second full sentence thereof the words ''until a quorum be present.'' *See id.*

[46] *See* proposed Section 4.12(a)–(b) of the By-Laws. To effect this change, BSECC proposes to (1) delete from Section 4.12(a)(ii) the words ''telegraph, telefax, cable, radio, wireless'' and substitute therefor the word ''facsimile''; (2) delete from Section 4.12(a)(ii) the word ''written''; and (3) delete from Section 4.12(b) the parenthetical ''(or by telegram, telefax, cable, radio, wireless, email or other means of written electronic transmission and subsequently confirmed in writing or by electronic transmission).'' *See id.*

[47] *See* proposed Section 4.13(a) of the By-Laws. To effect this change, BSECC proposes to insert, as the first full sentence in Section 4.13(a) the words ''The Corporation has opted into Section 141(c)(2) of Delaware law.'' *See id.*

[48] *See* proposed Section 4.13(c) of the By-Laws. To effect this change, BSECC proposes to delete from Section 4.13(c) the words ''amending the Restated Certificate of Incorporation or the By-Laws of the Corporation; adopting an agreement of merger or consolidation; recommending to the stockholders the sale, lease, or exchange of all or substantially all the Corporation's property and assets; or recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution. Unless the resolution of the Board expressly so provides, no committee shall have the power or authority to authorize the issuance of stock.'' BSECC further proposes to amend Section 4.13(c) to insert, immediately after the words ''no committee shall have the power or authority of the Board with regard to:'' the following: ''(a) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by Delaware law to be submitted to stockholders for approval or (b) adopting, amending or repealing any By-Law of the Corporation.'' *See id.*

[49] *See* Section 4.13(d)–(g) of By-Laws.

member shall hold office for a term of one year''; [50] (2) remove from Section 4.13(e) of the By-Laws the words ''[a] Finance Committee member shall hold office for a term of one year''; [51] (3) remove from Section 4.13(f) of the By-Laws the words ''[a] Management Compensation Committee member shall hold office for a term of one year''; [52] and (4) remove from Section 4.13(g) of By-Laws the words ''an Audit Committee member shall hold office for a term of one year.'' [53] BSECC believes that deleting all references to committee members having a limited term is appropriate because term limits are not customary in by-laws as they create unnecessary administrative burdens for and limit the flexibility of a board. BSECC notes that the proposed changes also align the By-Laws with current practice as the typical practice of the Board is to provide, in the annual resolutions regarding committee appointments, that committee members are appointed for one year or until their successors are duly elected.

BSECC further proposes to amend Section 4.13(g) of the By-Laws to delete language specifying the Chair of the Audit Committee must be a Public Director.[54] BSECC believes that this proposed change would eliminate unnecessary restrictions regarding, as well as provide the Corporation with greater flexibility with respect to, those who may serve as Audit Committee Chair since the Chair of the Audit Committee must in any event satisfy the independence standards in SEC as well as NASDAQ rules.[55] The proposed change would, for example, allow an issuer representative to be appointed as Chair of the Audit Committee. Finally, BSECC proposes a non-substantive, clarifying change to Section 4.13(g) to provide that the Audit and Risk Committee (or such committee as the same may be renamed from time to time or any successor of such committee delegated with similar duties) shall be known as the ''Audit Committee.'' [56] BSECC believes these proposed changes to Section 4.13(g) would provide greater flexibility to the Corporation with respect to those that may serve as Chair of the Audit Committee as well as enhance the clarity of and thus facilitate the application of the By-Laws by making the term ''Audit Committee'' a more clearly defined term.

BSECC proposes to amend Section 4.13(h)(ii) of the By-Laws to remove language providing that a ''majority vote of'' the Board is required to remove a member of the Nominating & Governance Committee.[57] This change removes duplicative language and reduces potential confusion since the voting standards for all decisions of the board are set forth separately in Section 4.9(b) of the By-Laws.

Section 4.13(j) of the By-Laws provides that, in general, a majority of a committee shall constitute a quorum for the transaction of business.[58] BSECC proposes to amend Section 4.13(j) to specify that a majority of the members of a committee then serving in office (rather than a majority of total directors on the committee as Section 4.13(j) currently provides) shall constitute a quorum for the transactions of business.[59] BSECC believes this proposed change would remove barriers to and facilitate the work of Board committees since a vacancy in a committee would not be a barrier to action, as the quorum would be based on the directors then serving rather than the total number of directors on the committee.

(iii) Article VII Officers, Agents, and Employees

Article VII of the By-Laws governs matters relating to the officers, agents, and employees of the Corporation. BSECC proposes to amend certain provisions in Article VII to delete references to a corporate structure that no longer reflects the structure at NASDAQ. Specifically, Article VII generally envisions a corporate structure where a President is a director and/or has executive authority over the entire company. BSECC proposes to amend certain sections of Article VII to delete references to such a structure and replace them with language suited for a corporate structure with multiple presidents, such as the current structure of NASDAQ. To effect these changes, BSECC proposes to amend several provisions of Article VII as follows.

Section 7.1 of the By-Laws governs matters relating to the principal officers of the Corporation. Section 7.1 specifies the principal officers to be elected by the Board, including, among others, a Chair, and a President. BSECC proposes to amend Section 7.1 to provide that the principal officers to be elected by the Board may—rather than must—include the roles set out in Section 7.1. BSECC further proposes to amend Section 7.1 to provide that one or more Presidents, rather than only a President, may elected by the Board, among other principal officers. Section 7.1 further provides that in part that one person may not hold the offices and perform the duties of both President and Vice President or of President and Secretary. BSECC proposes to amend Section 7.1 of the By-Laws to delete references to ''President and Vice President or of President'' and substitute therefor the words ''Chief Executive Officer.'' [60] As thus proposed, one person could not hold the offices and perform the duties of both Chief Executive Officer and Secretary (rather than of President and Vice President or of President and Secretary).[61]

For the reasons discussed above in connection with Article VII of the By-Laws more broadly, BSECC further proposes to amend Section 7.3 (Subordinate Officers, Agents, or Employees), Section 7.5 (Resignation and Removal of Officers), Section 7.9 (President), Section 7.10 (Vice President), Section 7.11 (Secretary), and Section 7.13 (Treasurer) of the By-Laws as follows.

First, BSECC proposes to delete from Sections 7.3 and 7.5(a) of the By-Laws the following: '', the President.''

With respect to Section 7.9 of the By-Laws, BSECC proposes to (1) delete the words ''[t]he President shall, in the absence of the Chair of the Board and the Chief Executive Officer, preside at all meetings of the Board and stockholders at which the President is present. The President shall have general supervision over the business and affairs of the Corporation,'' substituting therefor the words ''The Board or the Chief Executive Officer may appoint one or more Presidents and each.'' BSECC would further amend Section 7.9 to (1) delete from its final sentence the word ''The'' replacing it with ''Each''; (2) delete also from that final sentence the word ''the'' and replacing it with ''such''; and (3) insert, also in that final sentence and immediately after ''the Board'' the words ''or the Chief Executive Officer.''

[50] *See* proposed Section 4.13(d) of By-Laws.

[51] *See* proposed Section 4.13(e) of the By-Laws.

[52] *See* proposed Section 4.13(f) of the By-Laws.

[53] *See* proposed Section 4.13(g) of the By-Laws.

[54] See proposed Section 4.13(g) of the By-Laws.

[55] *See* proposed Section 4.13(g) of the By-Laws. To effect this change, BSECC proposes to insert in the first full sentence of Section 4.13(g) of the By-Laws and immediately after the words ''[t]he Audit'' the words and symbol ''& Risk'' and further insert, immediately following the word ''Committee'' a parenthetical reading as follows: ''(such committee as the same may be renamed from time to time or any successor of such committee delegated with similar duties, the ''Audit Committee'').''BSECC also proposes to renumber Section 4.13(g)(i) to delete the ''(i)'' and subsume the text of Section 4.13(g)(i) with that of proposed Section 4.13(g). *See* proposed Section 4.13(g) of the By-Laws.

[56] *See* proposed Section 4.13(g) of the By-Laws.

[57] *See* Section 4.13(h) of the By-Laws.

[58] *See* Section 4.13(j) of the By-Laws.

[59] *See* proposed Section 4.13(j) of the By-Laws.

[60] *See* proposed Section 7.1 of the By-Laws.

[61] *See* proposed Section 7.1 of the By-Laws.

With respect to Section 7.11 and Section 7.13 of the By-Laws, BSECC proposes to amend these two sections to delete, from their respective final sentences, the words ''or the President,'' substituting therefore the words ''or any other person delegated such power by the Board or Chief Executive Officer.'' Consistent with similarly proposed changes to Article VII of the By-Laws, BSECC believes that the proposed changes to Sections 7.11 and Section 7.13 of the By-Laws would remove impediments to the proper administration of the By-Laws as they would more closely align such By-Laws with the current corporate structure at NASDAQ as well as provide the Corporation with greater flexibility in the application of these provisions.

BSECC believes the proposed changes to these provisions of Article VII of the By-Laws would enhance the transparency of and facilitate the application of the By-Laws because they replace obsolete or inaccurate textual references to an outdated corporate structure with updated text designed to more closely reflect the current structure of NASDAQ.

Section 7.10 of the By-Laws governs the selection of Vice Presidents. BSECC proposes to amend Section 7.10 of the By-Laws to provide greater clarity with respect to the duties of as well as the process for selecting Vice Presidents of the Corporation. Specifically, BSECC proposes to amend Section 7.10 of the By-Laws to provide that the Board, the Chief Executive Officer, or any other person delegated such power by the Board or Chief Executive Officer, may appoint one or more Vice Presidents. BSECC further proposes to clarify that, any Vice President may have such additional designations in such Vice President's title as the Board, the Chief Executive Officer, or the authorized person appointing such Vice President may determine.[62] As proposed, each Vice President would have all powers and duties usually incident to the office of a Vice President, except as specifically limited by the Board, the Chief Executive Officer or the authorized person appointing such Vice President.[63] BSECC also proposes to clarify in the next to final sentence of Section 7.10 that, in addition to the Board and the Chief Executive, as provided under this section, the authorized person appointing such Vice President may also assign such Vice President other duties and powers as the Vice Presidents shall be authorized to exercise and perform pursuant to the By-Laws.[64] BSECC believes that the proposed changes to Section 7.10 of the By-Laws would provide greater clarity with respect to the duties of and the process for selecting the Vice Presidents, thereby facilitating the application of the By-Laws with respect to Vice Presidents of the Corporation.

(iv) Article VIII Indemnification

Section 8.1 of Article VIII of the By-Laws governs indemnification of Directors, officers, employees, and agents of the Corporation. Subsection (j) of Section 8.1 addresses circumstances in which a claim for indemnification or advancement of expenses is not paid in full within 60 days after a written claim under this provision has been received by the Corporation. BSECC proposes to amend Section 8.1(j) to clarify that the Corporation will not be required to pay claims or expenses under this provision if prohibited by law. To effect this change, BSECC proposes to insert within the first full sentence and immediately after ''[the indemnified person] shall be entitled to be paid the expense of prosecuting such claim'' the words ''to the fullest extent permitted by law.'' [65] BSECC believes this proposed change is appropriate as it would enhance the clarity of this provision by specifying that the extent of the Corporation's obligation to pay claims or expenses under this provision is limited to those claims or expenses not prohibited by law.

(v) IX Capital Stock

Section 9.2(a) of Article IX of the By-Laws governs requirements for signatures on stock certificates of the Corporation. Section 9.2(a) provides in part that shares of capital stock of the Corporation represented by certificates shall be signed in the name of the Corporation by two officers, with one being the Chair of the Board, the Chief Executive Officer, the President, or a Vice President, and the other being the Secretary, the Treasurer, or such other officer that may be authorized by the Board.

BSECC proposes to amend Section 9.2(a) to broaden the scope of officers authorized to sign stock certificates. Specifically, BSECC proposes to provide that Shares of capital stock of the Corporation represented by certificates shall be signed in the name of the Corporation by two authorized officers which shall include, without limitation, the Chair of the Board, the Chief Executive Officer, the President, any Vice President, the Secretary, and the Treasurer.[66] BSECC believes the proposed changes to Section 9.2(a) would remove unnecessary limitations on officers authorized to sign stock certificates thereby providing greater flexibility in the By-Laws with respect to officers authorized to perform this important function.

Section 9.3 of the By-Laws governs matters relating to holders of record as shown on the stock ledger of the Corporation. Section 9.3(b) of the By-Laws provides that the Corporation shall be entitled to treat the holder of record of shares of capital stock as shown on the stock ledger as the owner thereof and as the person entitled to vote such shares and to receive notice of meetings, and for all other purposes. That subsection further provides that the Corporation shall not be bound to recognize any equitable or other claim to or interest in any share of capital stock on the part of any other person, whether or not the Corporation shall have express or other notice thereof.[67] BSECC proposes to amend Section 9.3(b) to provide for the possibility that applicable law might require a different outcome. Specifically, BSECC proposes

[62] *See* proposed Section 7.10 of the By-Laws.

[63] *See* proposed Section 7.10 of the By-Laws.

[64] *See* proposed Section 7.10 of the By-Laws. To effect the proposed changes to Section 7.10, BSECC proposes to (1) delete therefrom the words ''The Board shall elect'' and substitute therefor the words ''The Board, the Chief Executive Officer or any other person delegated such power by the Board or Chief Executive Officer, may appoint''; (2) delete, from the second sentence of Section 7.10 the words ''[i]n the absence or disability of the President or if the office of President becomes vacant, the Vice Presidents in the order determined by the Board, or if no such determination has been made, in the order of their seniority, shall perform the duties and exercise the powers of the President, subject to the right of the Board at any time to extend or restrict such powers and duties or to assign them to others''; (3) insert, in the third sentence of Section 7.10 of the By-Laws and immediately following the words ''as the Board'' the words ''the Chief Executive Officer, or the authorized person appointing such Vice President''; (4) delete, from the fourth sentence of Section 7.10 the words ''The Vice Presidents shall generally assist the President in such manner as the President shall direct'' substituting therefor the words ''Each Vice President shall have all powers and duties usually incident to the office of a Vice President, except as specifically limited by the Board, the Chief Executive Officer or the authorized person appointing such Vice President.''; and (5) insert in the final sentence of Section 7.10 of the By-Laws and immediately after the words ''the Chief Executive Officer or the'' the words ''authorized person appointing such Vice.'' *See id.*

[65] *See* proposed Section 8.1(j) of the By-Laws.

[66] *See* proposed Section 9.2 of the By-Laws. To effect this change as well as make conforming changes to Section 9.2 of the By-Laws, BSECC proposes to (1) insert, immediately after ''certificates shall be signed in the name of the Corporation by two'' the word ''authorized''; (2) insert, immediately after ''officers'' the words ''which shall include, without limitation,''; and (3) delete the words ''with one being,'' as well as ''or a,'' ''and the other being,'' and '', or such other officer that may be authorized by the Board.'' *See id.*

[67] *See* Section 9.3(b) of the By-Laws.

to provide that the Corporation shall, to the fullest extent permitted by law, be entitled to treat the holder of record of shares of capital stock as shown on the stock ledger as the owner thereof and as the person entitled to vote such shares and to receive notice of meetings, and for all other purposes. As further proposed, Section 9.3 would provide that the Corporation shall not be bound to recognize any equitable or other claim to or interest in any share of capital stock on the part of any other person, whether or not the Corporation shall have express or other notice thereof, except as required by law.[68] BSECC believes the proposed changes to Section 9.3 of the By-Laws would ensure the enforceability of this provision by recognizing that there may be circumstances where its application would be subject to and possibly limited or otherwise affected by applicable law.

Section 9.6 of the By-Laws governs matters relating to lost, stolen, destroyed, and mutilated certificates for shares of stock of the Corporation. Section 9.6 sets out procedures for addressing the issuance of a new certificate or uncertified shares in the event that any certificate for stock of the Corporation becomes mutilated, lost, stolen, or destroyed. BSECC proposes to amend Section 9.6 to delete language providing that the Board or a committee thereof is authorized to take action to address each such instance of lost, stolen, destroyed, or mutilated certificates and in its place provide that the Corporation (rather than solely the Board) shall have the authority to do so.[69] BSECC believes this proposed change would remove obstacles to and facilitate the reissuance of new certificates under the specified circumstances by providing that the Corporation is authorized to act under those circumstances and by removing unnecessary requirements for the Board to take action in each and every instance that that a new certificate to replace a mutilated, lost, stolen, or destroyed certificate is sought.

(vi) Article X Miscellaneous Provisions

Section 10.4 of Article X of the By-Laws governs procedures relating to the execution of instruments, contracts, and the like. BSECC proposes to delete Section 10.4 in its entirety and provide new text to better align the provisions of this section with NASDAQ's policies and procedures on signature authority. Specifically, BSECC proposes to provide that, except as otherwise provided by law, all contracts and other documents requiring signature entered into by or on behalf of the Corporation, including, without limitation, all (i) checks, drafts, bills of exchange, notes, or other obligations or orders for the payment of money, (ii) deeds, bonds, mortgages, contracts, and other obligations or instruments, and (iii) applications, instruments, and papers required by any department of the United States Government or by any state, county, municipal, or other governmental authority, shall, in each case, be executed by such officer(s), employee(s), agent(s), or other person(s) as the Board, a duly authorized committee thereof, or the Chief Executive Officer may designate from time to time. As further proposed, the authority to execute any contract or document in the name and on behalf of the Corporation granted in accordance with this Section may (1) be general or confined to specific instances, (2) be designated by name, title, or role, (3) include the power to delegate signature authority further to one or more other persons, whether by name, title, or role, to the extent authorized by the Board, a duly authorized committee thereof, or the Chief Executive Officer, and (4) be revoked at any time by the Board, any committee thereof, or the Chief Executive Officer.[70] BSECC believes that the proposed changes to Section 10.4 of the By-Laws would enhance clarity and facilitate the application of the By-Laws by removing language that has become obsolete and replacing it with provisions that more closely reflect NASDAQ's current policies and procedures on signature authority.

Section 10.5 of the By-Laws governs the form of records of the Corporation. BSECC proposes to delete Section 10.5 in its entirety and insert in its place new text that would conform this provision with the updated Delaware statute governing signature authority. Specifically, BSECC proposes to provide that any records administered by or on behalf of the Corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or by means of, or be in the form of, any information storage device, method, or one or more electronic networks or databases (including one or more distributed electronic networks or databases), provided that the records so kept can be converted into clearly legible paper form within a reasonable time and otherwise comply with applicable law.[71]

(vii) Article XI Amendments; Emergency By-Laws

Section 11.4 of Article XI of the By-Laws addresses the adoption of emergency by-laws. BSECC proposes to update Section 11.4 to reflect amendments to the emergency by-law provision of the Delaware General Corporation Law. Specifically, BSECC proposes to provide that as provided in Section 11.4, the Board may adopt emergency by-laws which shall be operative during any emergency resulting from ''any emergency resulting from an attack on the United States or on a locality in which the Corporation conducts its business or customarily holds meetings of its Board of Directors or its stockholders, or during any nuclear or atomic disaster or during the existence of any catastrophe, including, but not limited to, an epidemic or pandemic, and a declaration of a national emergency by the United States government, or other similar emergency condition, irrespective of whether a quorum of the Board of Directors or a standing committee thereof can be readily convened for action.'' [72] In addition, and consistent with Delaware General Corporation Law, BSECC proposes to update Section 11.4 to provide, in a final sentence to Section 11.4 of the By-Laws, that ''[n]othing contained in this Section 11.4 shall be deemed exclusive of any other provisions for emergency powers consistent with other sections of Delaware law which have been or may be adopted by corporations created under Delaware law.'' [73]

(viii) Article XIII Forum Selection

BSECC proposes to adopt new language to provide the By-Laws with a customary forum selection provision. To effect this change, BSECC proposes to add a new Article XIII titled ''Forum Selection'' providing as follows: [74]

Unless the Corporation consents in writing to the selection of an alternative forum, (A) (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any

[68] *See* proposed Section 9.3(b) of the By-Laws.

[69] *See* proposed Section 9.6 of the By-Laws. To effect his change, BSECC proposes to (1) delete from the fourth sentence of Section 9.6 the words ''Board or such committee'' and substitute therefor the word ''Corporation'' and (2) delete from the fifth sentence the word ''Board,'' substituting therefor the word ''Corporation.'' *See id.*

[70] *See* proposed Section 10.4 of the By-Laws.

[71] *See* proposed Section 10.5 of the By-Laws.

[72] *See* proposed Section 11.4 of the By-Laws.

[73] *See* proposed Section 11.4 of the By-Laws. BSECC further proposes to delete from Section 11.4 the following language as it has become obsolete: ''nuclear or atomic disaster, an attack on the United States or on a locality in which the Corporation conducts its business or customarily holds meetings of the Board or the stockholders, any catastrophe, or other emergency condition, as a result of which a quorum of the Board or a committee thereof cannot readily be convened for action.'' *See id.*

[74] *See* proposed Article XIII of the By-Laws.

action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, other employee or stockholder of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of Delaware law, the Restated Certificate of Incorporation or these By-Laws (as either may be amended or restated) or as to which Delaware law confers jurisdiction on the Court of Chancery of the State of Delaware or (iv) any action asserting a claim governed by the internal affairs doctrine of the law of the State of Delaware shall, to the fullest extent permitted by law, be exclusively brought in the Court of Chancery of the State of Delaware or, if such court does not have subject matter jurisdiction thereof, the federal district court of the State of Delaware; and (B) the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended. Notwithstanding the foregoing, This Section 13.1 shall not apply to claims seeking to enforce any liability or duty created by the Act. To the fullest extent permitted by law, any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Section 13.1.

BSECC believes that this proposed addition of Article XIII to the By-Laws is appropriate as it would provide the Corporation as well as litigants with greater certainty with respect to the applicable judicial forum for addressing claims or actions involving the Corporation.[75]

(ix) Non-Substantive Changes

The remaining proposed amendments to the By-Laws are non-substantive changes designed to simplify and streamline the document. Specifically, BSECC proposes to (1) amend Article I(k) and Article I(m) to correct typographical errors by deleting a period and substituting in its place a semicolon and by inserting a missing parenthesis respectively; (2) make non-substantive clarifying changes to subparagraph (p) of Article I; (3) amend Article I(s) to correct a typographical error by removing a period after ''and'''; and (4) delete from Section 3.1(a) the term ''shareholder'' and substitute therefor the word ''stockholder.'' the latter which more closely reflects established terminology of the By-Laws. BSECC believes the proposed non-substantive changes are either administrative or clarifying in nature, and that, as such, they are in the public interest as they are designed to avoid confusion with respect to the operation of the By-Laws thus facilitating their use.

2. Statutory Basis

BSECC believes that the proposed changes are consistent with Section 6(b) of the Act,[76] in general, and furthers the objectives of Section 6(b)(1) of the Act,[77] in particular, in that they enable BSECC to be so organized so as to have the capacity to be able to carry out the purposes of the Act and to comply, and to enforce compliance by its members and persons associated with its members, with the provisions of the Act, the rules and regulations thereunder, and the rules of BSECC. BSECC also believes that the proposed changes are consistent with Section 6(b) of the Act,[78] in general, and furthers the objectives of Section 6(b)(5) of the Act,[79] in particular, in that they are designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

(a) Proposed Changes to the Certificate

BSECC believes the proposed changes to paragraphs A and B of Article Sixth of the Certificate are in the public interest as they would update the Certificate, consistent with developments in Delaware General Corporation Law that enable companies incorporated in Delaware, such as NASDAQ, to limit the liability of certain of their officers in narrow circumstances, as discussed above. BSECC notes that amendments providing for officer exculpation are increasingly common for public companies, and that the number of shareholder proposals calling for such amendments have continued to increase since 2022 when the Delaware law was passed.[80]

(b) Proposed Changes to the By-Laws

BSECC believes that changes proposed for Article III of the By-Laws are in the public interest as they would update the By-Laws and conform them to current practices and developments in the law with respect to corporate matters such as procedures governing the annual and special meetings of stockholders, the conduct of such meetings, and the invocation of proxy access. The proposed changes to Article IV of the By-Laws are either clarifying in nature or otherwise purport to refine governance practices by providing the Corporation with greater flexibility with respect to such matters as the qualifications of Directors, quorum and voting, or otherwise update such provisions to make them more consistent with current governance practices as well as the policies and procedures of NASDAQ. BSECC believes that proposed changes to Articles VII through XIII are in the public interest and consistent with the protection of investors as they are designed to accomplish several objectives, including updating the By-Laws to conform with current practices or recent developments in Delaware General Corporation Law, aligning the By-Laws with current NASDAQ policies and procedures, and enhancing the clarity of the By-Laws thus facilitating their proper application and use. Finally, the remaining changes can be characterized as non-substantive, because they are designed to either correct typographical errors, conform NASDAQ governance documents to terminology in the By-Laws, remove obsolete text, or otherwise make non-substantive revisions to the By-Laws to make them clearer and easier to use.

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

Because the proposed rule change relates to the governance of NASDAQ and not to the operations of BSECC, BSECC does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

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

No written comments were either solicited or received.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such

[75] BSECC notes that the bylaws of Cboe Global Markets, Inc. as well as those of CME Group, Inc., contain forum selection provisions similar to those proposed by BSECC. *See* Article 11 (''Forum for Adjudication of Disputes'') of the Eight Amended and Restated Bylaws of Cboe Global Markets, Inc. (2024) *https://s202.q4cdn.com/174824971/files/doc_governance/2024/Dec/04/Cboe-Global-Markets-Eighth-AR-Bylaws-2ffa4c.pdf;* Article IX, Section 9.1 (''Forum for Adjudication of Certain Disputes'') of the Seventeenth Amended and Restated Bylaws of CME Group, Inc. (2022) *https://www.sec.gov/Archives/edgar/data/1156375/000119312522301477/d412380dex31.htm.*

[76] 15 U.S.C. 78f(b).

[77] 15 U.S.C. 78f(b)(1).

[78] 15 U.S.C. 78f(b).

[79] 15 U.S.C. 78f(b)(5).

[80] *See supra* note 3 and accompanying text.

longer period to be appropriate and publishes its reasons for so finding or (ii) as to which BSECC consents, the Commission shall: (a) by order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–BSECC–2025–001 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–BSECC–2025–001. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of BSECC. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–BSECC–2025–001 and should be submitted on or before October 24, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[81]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025–19450 Filed 10–2–25; 8:45 am]

BILLING CODE 8011–01–P

[81] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–104154; File No. SR–MSRB–2025–02]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing of a Proposed Rule Change To Amend MSRB Rules A–11 and A–13 Pursuant to a Multi-Year Rate Card and To Make Related Technical Amendments

September 30, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'' or ''Exchange Act'')[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on September 30, 2025, the Municipal Securities Rulemaking Board (''MSRB'' or ''Board'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the MSRB. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The MSRB filed with the Commission a proposed rule change to amend MSRB Rule A–11, on assessments for municipal advisor professionals (''Rule A–11''), and Rule A–13, on underwriting and transaction assessments for brokers, dealers, and municipal securities dealers (''Rule A–13''), to establish new rates of certain assessments on municipal advisors under Rule A–11 and brokers, dealers and municipal securities dealers (collectively, ''dealers'' and, together with municipal advisors, ''regulated entities'') under Rule A–13 pursuant to a multi-year rate card, as well as to make certain related technical amendments (the ''proposed rule change''). The MSRB requests that the proposed rule change be approved with an effective date of January 1, 2026, provided that if approved by the Commission after January 1, 2026, the proposed rule change be made effective as of the first day of the month following Commission approval.

The text of the proposed rule change is available on the MSRB's website at *https://msrb.org/2025-SEC-Filings* and at the MSRB's principal office.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the MSRB included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The MSRB has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Background

Rule A–13 currently requires dealers to pay (a) an underwriting fee under Rule A–13(b) (the ''Underwriting Fee'') for municipal securities purchased from an issuer by or through such dealer as part of a primary offering,[3] (b) a transaction fee under Rule A–13(d)(i) and (ii) (the ''Transaction Fee'') based on the par amount traded in inter-dealer trades and customer sales, and (c) a trade count fee under Rule A–13(d)(iv)(a) and (b) (the ''Trade Count Fee'') based on the number of inter-dealer trades and customer sales (collectively, the ''Market Activity Fees''). Rule A–11 currently requires municipal advisors to pay to the MSRB a recurring annual fee (the ''Municipal Advisor Professional Fee'' and, together with the Market Activity Fees, the ''Rate Card Fees'') for each associated person qualified as a municipal advisor representative under MSRB Rule G–3 and for whom the municipal advisor has on file with the Commission an active Form MA–I as of January 31 of the applicable year (''covered professional''). The purpose of the proposed rule change is to amend the rates of assessment for the Rate Card Fees and to revise the MSRB's existing model for establishing Rate Card Fees from an annual process to a multi-year process based on the factors described below.

[3] Underwriting assessments charged pursuant to Rule A–13(c) to dealers acting as underwriters of certain municipal fund securities are not included in the assessment rates that would be amended by this proposed rule change.

The MSRB established its current rate card model in 2022 with the stated goals of facilitating the MSRB's ability to manage its organizational reserves year-to-year, mitigating the impact of market volatility on fee revenue, and maintaining a fair and equitable balance of reasonable fees and charges among regulated entities, while prudently funding the MSRB's anticipated near-term operating expenses.[4] Pursuant to the current rate card model, in November 2023, the MSRB filed with the Commission proposed amendments to Rules A–11 and A–13 to institute the rate card fees for 2024 (the ''2024 Rate Card Proposal'').[5] Five comment letters were submitted to the Commission in response to the 2024 Rate Card Proposal, which highlighted concerns, among others, related to the MSRB's rate setting processes and the volatility and unpredictability of rates under the current rate card model.[6] On January 26, 2024, the MSRB submitted a response letter to the Commission that outlined undertakings the MSRB intended to pursue to address the concerns expressed by commenters with respect to the MSRB's rate setting process, including the MSRB's determination to undertake a retrospective review of this process.[7] On January 29, 2024, the Commission temporarily suspended and instituted proceedings to determine whether to approve or disapprove the 2024 Rate Card Proposal, resulting in the MSRB's Rate Card Fees reverting to the rates previously in effect.[8] The MSRB then withdrew the 2024 Rate Card Proposal on February 16, 2024,[9] in order to meaningfully engage with stakeholders to better understand and address their concerns, as well as to fulfill its retrospective rule review commitment by conducting a comprehensive review of the current rate card model.

Since withdrawing the 2024 Rate Card Proposal, the MSRB engaged in what it believes to be substantive outreach with stakeholders, particularly those who submitted comments in response to that proposal, to better distill and understand the most important concerns that the MSRB could meaningfully address in the near term and in the future. As one example of this substantive outreach, the MSRB issued a Request for Information (''RFI'') on its rate card process on October 30, 2024, soliciting feedback from stakeholders on the MSRB's rate setting process, the distribution of fees across regulated entities generally, and the MSRB's management of its organizational reserve funds.[10] The MSRB received comments from six commenters in response to the RFI, focusing on, among other matters, the volatility and unpredictability of the current rate card model, the fee distribution between dealers and municipal advisors, and strategies for management of reserve levels.[11]

After carefully considering the RFI responses and feedback received from the MSRB's outreach to stakeholders,[12] the MSRB has determined to revise the current fee setting process from an annual rate card model to a multi-year process and to propose new Municipal Advisor Professional Fees assessed pursuant to Rule A–11 and Market Activity Fees assessed pursuant to Rule A–13 based on the new multi-year rate setting model (the ''Multi-Year Rate Card Process''), as described below.

The new Multi-Year Rate Card Process is designed to enhance the stability and predictability of Rate Card Fees, maintain fairness of assessments on regulated entities, and allow the MSRB to manage organizational reserves responsibly while minimizing uncertainty and possible operational disruptions to regulated entities that could result from more frequent and less predictable changes in assessment rates.[13] To that end, the proposed rule change implements a revised approach to fee setting, intended to address stakeholder concerns, by moving the process for determining Rate Card Fees from an annually calculated adjustment to a fixed multi-year rate schedule for Rate Card Fees, establishing appropriate parameters to limit the degree of annual changes to Rate Card Fees, establishing a framework to effectively address surplus reserves through rate adjustments to Market Activity Fees, and maintaining the target balance of Rate Card Fees between dealers and municipal advisors.

Proposed Multi-Year Rate Card Fees

To provide greater predictability and stability of the Rate Card Fees, the proposed rule change would establish Rate Card Fees for the next four calendar years: 2026, 2027, 2028, and

[4] *See* Exchange Act Release No. 95417 (Aug. 3, 2022), 87 FR 48530, 48533–36 (Aug. 9, 2022), File No. SR–MSRB–2022–06. *See also* MSRB Notice 2022–06, MSRB Revises and Resubmits Annual Rate Card Amendments (July 29, 2022), available at *https://www.msrb.org/sites/default/files/2022-09/2022-06.pdf.* The amendments to Rules A–11 and A–13 made by the 2022 filing, together with the MSRB's then-current funding policy, constituted the rate card model instituted at that time.

[5] Exchange Act Release No. 99096 (Dec. 6, 2023), 88 FR 86188 (Dec. 12, 2023), File No. SR–MSRB–2023–06. *See also* MSRB Notice 2023–10, MSRB Establishes 2024 Annual Rate Card Fees for Dealers and Municipal Advisors (Nov. 30, 2023), available at *https://www.msrb.org/sites/default/files/2023-11/2023-10.pdf.* The MSRB filed the 2024 Rate Card Filing for immediate effectiveness.

[6] Comments are available at *https://www.sec.gov/comments/sr-msrb-2023-06/srmsrb202306.htm.*

[7] *See https://www.sec.gov/comments/sr-msrb-2023-06/srmsrb202306-416059-985442.pdf* (the ''2024 MSRB Response Letter'').

[8] Exchange Act Release No. 99444 (Jan. 29, 2024), 89 FR 7424 (Feb. 2, 2024), File No. SR–MSRB–2023–06. The 2024 Rate Card Fees applied to activity subject to the Rate Card Fees occurring between January 1, 2024 and January 28, 2024. *See also* MSRB Notice 2024–02, Current Dealer and Municipal Advisor Fees Upon SEC Suspension of 2024 Annual Rate Card Fees (January 30, 2024), available at *https://www.msrb.org/sites/default/files/2024-01/2024-02.pdf.*

[9] Exchange Act Release No. 99577 (Feb. 21, 2024), 89 FR 14552 (Feb. 27, 2024), File No. SR–MSRB–2023–06. *See also* MSRB Notice 2024–04, Existing Dealer and Municipal Advisor Fees Maintained Upon Withdrawal of 2024 Annual Rate Card (February 16, 2024), available at *https://www.msrb.org/sites/default/files/2024-02/2024-04.pdf.*

[10] *See* MSRB Notice 2024–14, Request for Information on the MSRB's Rate Card Process (Oct. 30, 2024), available at *https://www.msrb.org/sites/default/files/2024-10/MSRB-Notice-2024-14.pdf.* Prior to publication of the RFI and informing many aspects of the questions posed therein, the MSRB held outreach meetings with industry groups representing regulated entities and other stakeholders to discuss the MSRB's budget and rate card process, including joint meetings with the National Association of Municipal Advisors (''NAMA''), Bond Dealers of America (''BDA'') and the Securities Industry and Financial Markets Association (''SIFMA'') on March 14, 2024, and with the American Securities Association (''ASA''), the Investment Company Institute, the Government Finance Officers Association, the National Federation of Municipal Analysts, NAMA, BDA and SIFMA on April 16, 2024. The MSRB also met individually with SIFMA on June 17, 2024, NAMA on June 18, 2024, ASA on June 20, 2024 and BDA on June 20, 2024. Additional examples of such outreach include meetings held after the MSRB received comments on the RFI with industry groups representing regulated entities to further discuss the MSRB's budget and Rate Card Fees, including meetings with NAMA on July 8 and 21, 2025; BDA on July 11 and 21, 2025; and SIFMA on July 15, 2025.

[11] *See infra* Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others. Comments were received from Susan Gaffney, Executive Director, NAMA (Jan. 28, 2025) (''NAMA Letter''); Thomas F. Huestis, Senior Managing Director, Public Resources Advisory Group, Inc. (Jan. 27, 2025) (''PRAG Letter''); Leslie M. Norwood, Managing Director and Associate General Counsel and Gerald O'Hara, Vice President and Assistant General Counsel, SIFMA (Jan. 28, 2025) (''SIFMA Letter''); Michael Decker, Senior Vice President, BDA (Jan. 28, 2025) (''BDA Letter''); Jessica R. Giroux, General Counsel and Head of Fixed Income Policy, ASA (Jan. 28, 2025) (''ASA Letter''); and Robert Laorno, General Counsel, ICE Bonds Securities Corporation (Jan. 21, 2025) (''ICE Bonds Letter'').

[12] *See supra* note 10.

[13] These proposed rule changes are intended to address the primary concerns of regulated entities that can reasonably be implemented in the course of establishing this new set of Rate Card Fees for 2026–2029 without undue delay. The MSRB remains committed to on-going engagement with stakeholders to continue to explore whether additional, longer-term changes to the MSRB's approach should be implemented in the course of developing future rate cards beyond 2029.

2029 (the ''proposed Multi-Year Rate Card'').[14] The Municipal Advisor Professional Fee included in the Rate Card Fees for each of these years would be operative from January 1 of each calendar year until December 31 for that year and the Market Activity Fees included in the Rate Card Fees would be operative from January 1, 2026 until December 31, 2029.[15] The MSRB anticipates that it would adopt a new set of Rate Card Fees established through the Multi-Year Rate Card Process to become effective beginning on January 1, 2030.[16] Any subsequent multi-year rate cards would be established by amendment to Rules A–11 and A–13 and in accordance with the principles and guidelines of the MSRB's revised funding policy, available at *https://www.msrb.org/MSRB-Funding-Policy-1* (the ''Revised Funding Policy'').[17]

As discussed below, due to both the accumulation of excess reserves (in part resulting from the suspension and subsequent withdrawal of the 2024 Rate Card Proposal, as well as heightened Market Activity Fee revenues during a period of record trading and issuance volume[18]) and a reduction in the MSRB's reserves target, the MSRB has determined to reduce excess reserves through credits (''Temporary Credits'') of 45% applied to Market Activity Fees in 2026 and 2027, which would produce a reduction in the amounts to be assessed to and paid by dealers for Market Activity Fees during such years.[19] The Rate Card Fees, together with the net amount of Rate Card Fee assessments (taking into account the Temporary Credits),[20] are set forth in the following table:

	Assessment/credit basis	2026	2027	2028	2029 *
Underwriting Fee	Per $1,000 Par Underwritten	$0.0297	$0.0297	$0.0297	$0.0297
	45% Temporary Credit	(0.0134)	(0.0134)	0	0
	Net Rate of Assessment	0.0163	0.0163	0.0297	0.0297
Transaction Fee	Per 1,000 Par Transacted	0.0107	0.0107	0.0107	0.0107
	45% Temporary Credit	(0.0048)	(0.0048)	0	0
	Net Rate of Assessment	0.0059	0.0059	0.0107	0.0107
Trade Count Fee	Per Trade	1.10	1.10	1.10	1.10
	45% Temporary Credit	(0.49)	(0.49)	0	0
	Net Rate of Assessment	0.61	0.61	1.10	1.10
Municipal Advisor Professional Fee **.	Per Covered Professional	1,130	1,200	1,270	1,340

* As noted above, if no new Rate Card Fees are established by January 1, 2030, the then-effective Rate Card Fees for 2029 would remain in effect until any new fees are established.

** The Temporary Credits included in this proposed rule change would not apply to the Municipal Advisor Professional Fee.

Multi-Year Rate Card Process and Reserves Management

The Multi-Year Rate Card Process is designed to address stakeholders' concerns related to fee volatility inherent in the current annual rate setting process and to facilitate the MSRB's management of its organizational reserves. A multi-year rate card is a fixed rate schedule for its multi-year term (four years in the case of the proposed rule change) and is not intended to be modified during its effective term, except as described below.[21] In developing a fixed set of Rate Card Fees for a multi-year period under the Multi-Year Rate Card Process, the MSRB utilized a five-year historical average of market volume for its underlying assumptions to smooth the annual volatility in market activity.[22] The Multi-Year Rate Card Process seeks to provide certainty and enhanced stability in rates across the multi-year period as compared to the existing annual process, with the Revised Funding Policy reducing the maximum annual increase or decrease in any baseline Rate Card Fee to 15% (the ''Annual Rate Change Limit'')[23] within a multi-year rate card period, as compared to the 25% cap on increases and no cap on decreases that existed under the annual rate card process, subject to potential Temporary Credits, as discussed below.

In the case of the Rate Card Fees proposed in this proposed rule change, the baseline rates of the Market Activity Fees would remain unchanged both from the rates currently in effect under the prior rate card and throughout the

[14] The Municipal Advisor Professional Fee included in the proposed new Rate Card Fees, for each year covered by the proposed rule change, would be set out in Supplementary Material .01 of Rule A–11. Each of the Market Activity Fees included in the proposed new Rate Card Fees would be set out in Supplementary Material .01(a)(i)–(iii) of Rule A–13.

[15] If the proposed rule change is approved with an effective date after January 1, 2026, the Rate Card Fees would instead become operative from the first day of the month following Commission approval, with the end dates for the respective Rate Card Fees remaining unchanged.

[16] If no new Rate Card Fees are established by January 1, 2030, the then-effective Rate Card Fees for 2029 would remain in effect until any new fees are established.

[17] The Revised Funding Policy becomes effective as of October 1, 2025. Any future revisions to the Revised Funding Policy, including any changes to the provisions relating to the Multi-Year Rate Card Process and to organizational reserve requirements, must be approved by the MSRB's board of directors and would be posted on the MSRB website at *https://www.msrb.org/MSRB-Funding-Policy-1*. Revisions to the Revised Funding Policy would not result in changes to the rates of filed Rate Card Fees absent a rule filing with the Commission, but instead would have an impact on future rate-setting through MSRB rulemaking. The proposed rule change would amend Supplementary Material .01 to Rule A–11 and Supplementary Material .01(b) to Rule A–13 to delete language describing aspects of the prior rate setting process that would be superseded by the Multi-Year Rate Card Process, to explicitly state that if no new rate card is established at the end of the period covered by the proposed rule change then the applicable rates would remain at the same level as in effect prior to the end of that period, and to provide for the on-going availability of the Revised Funding Policy, and any future revisions thereto, on the MSRB website so long as the Revised Funding Policy sets forth, in whole or in part, the MSRB's rate card process.

[18] *See infra* note 47.

[19] The Temporary Credits that would be applied to the Market Activity Fees included in the proposed new Rate Card Fees for the calendar years 2026 and 2027 would be set out in Supplementary Material .01(c) of Rule A–13.

[20] The net amount of Market Activity Fees, taking into account any applicable Temporary Credits, would be set out in Supplementary Material .01(c)(i)–(iii) of Rule A–13.

[21] *See* Revised Funding Policy, *supra* note 17, at ''Multi-Year Rate Card''.

[22] The five-year historical averages of market volume used in connection with the proposed rule change are based on the MSRB's fiscal years 2021–2024 and its projections for fiscal year 2025. The five-year market activity averages MSRB used are: $474 billion par underwritten, $1.64 trillion par transacted, and 9.2 million trades. Use of the five-year average is intended to mitigate the impact of market volatility from year-to-year. For example, par underwritten was $367 billion in fiscal year 2023 and $498 billion in fiscal year 2024.

[23] The Annual Rate Change Limit would be set out in Supplementary Material .01 of Rule A–11 and Supplementary Material .01(b) of Rule A–13. *See also* Revised Funding Policy, *supra* note 17, at ''Multi-Year Rate Card''.

course of the proposed Multi-Year Rate Card.[24] The Municipal Advisor Professional Fee for 2026 would increase by approximately 6.6% from the rate currently in effect and would increase on an annual basis during the course of the proposed Multi-Year Rate Card by approximately 6% per year.[25] Thus, all baseline Rate Card Fees would be consistent with the Annual Rate Change Limit under the Multi-Year Rate Card Process.

In the event the MSRB determines that it has a significant surplus level of reserves to draw down upon, the MSRB may elect to utilize one or more Temporary Credits within the proposed Multi-Year Rate Card or in a future multi-year rate card.[26] If Temporary Credits are applied to a baseline Rate Card Fee, the Annual Rate Change Limit may be exceeded. For example, to reduce the current surplus reserves described above, the proposed Multi-Year Rate Card includes Temporary Credits during the first two years which result in the net rate of assessments for the Market Activity Fees increasing between 2027 and 2028 by more than the percentage of the Annual Rate Change Limit, notwithstanding the fact that the baseline rates would not change.[27] To achieve further stability and mitigate potential increases in Rate Card Fees (for example, when market volume is materially reduced), the MSRB would consider its reserves and could draw down upon reserve levels rather than adjust the established rates of Rate Card Fees or the amounts of previously approved Temporary Credits, which rate or credit adjustments would remain as potential options but would require formal rulemaking to effectuate.

A primary goal of a rate card is to effectively manage organizational reserves, which at times may accumulate surplus funds (or may experience deficits) driven by extraordinary market activity volume or from other unexpected circumstances. The MSRB maintains a targeted level of reserve funding in accordance with its Revised Funding Policy, which is determined through a comprehensive analysis of its operating environment. The MSRB's Revised Funding Policy establishes a tolerance for variation from the organizational reserves target of +/−20% of its target level (the ''Reserve Target Tolerance'').[28] Under the Multi-Year Rate Card Process, the MSRB seeks to establish Rate Card Fees that appropriately balance organizational reserves within the Reserve Target Tolerance over the effective period of the rate card.

The MSRB approved an organizational reserves target for 2026 of $30 million at its July 23–24, 2025, board of directors meeting. This level of reserves translates to approximately eight months of MSRB operating expenses.[29] To ensure the MSRB maintains fiscal discipline and responsibly manages reserves during the effective term of a multi-year rate card, the Revised Funding Policy provides for an evaluation, at the mid-point of a multi-year rate card, as to whether the Reserve Target Tolerance has been exceeded.[30] If, at the midpoint of the effective multi-year rate card, organizational reserves are in excess or deficient by more than the Reserve Target Tolerance, the MSRB would consider increases or decreases for future rate card filings. The Revised Funding Policy requires the MSRB to affirmatively address a reserves surplus over the 20% Reserve Target Tolerance. A primary method to address the surplus reserves would be to draw down on reserves in a subsequent multi-year rate card to mitigate annual rate changes. In the alternative, if there is a significant accumulation of reserves the MSRB would engage with stakeholders and discuss options to address the surplus and may choose to utilize a Temporary Credit during the course of the existing rate card period to reduce reserve levels more expeditiously than waiting until the next multi-year rate card.[31]

Related Technical Amendments

The proposed rule change would include certain technical language changes designed to ensure that the rule language reflects the proposed Multi-Year Rate Card and the related changes to institute the Multi-Year Rate Card Process. References to the current ''annual'' process would be eliminated throughout Rules A–11 and A–13 and instead would reflect the four-year term of the proposed Multi-Year Rate Card in the proposed rule change.[32] In particular, the proposed rule change language refers to the rates that would be in effect (including any net rates due to Temporary Credits, as applicable) for each year within the course of the proposed Multi-Year Rate Card.[33]

2. Statutory Basis

Section 15B(b)(2)(J) of the Exchange Act states that the MSRB's rules shall provide that each municipal securities broker, municipal securities dealer, and municipal advisor shall pay to the MSRB such reasonable fees and charges as may be necessary or appropriate to defray the costs and expenses of

[24] While the baseline Market Activity Fees would remain the same for all four years of the proposed Multi-Year Rate Card, future rate cards established under the Multi-Year Rate Card Process could have fees that differed from year to year within the period covered by such new rate card, subject to the Annual Rate Change Limit.

[25] The rates for the Municipal Advisor Professional Fee are designed to generate a target 8% of total rate card revenue from the Municipal Advisor Professional Fee by 2029. The 8% target was initially established in the rate card model implemented in 2022. *See supra* note 4, 87 FR 48530 at 48537–38. To enhance stability and predictability, the Municipal Advisor Professional Fee increases are the same dollar amount ($70) each year during the four years 2026–2029. Based on the assumption that the number of covered professionals will decrease by 25 individuals per year and using the five-year market activity averages to project revenue from Market Activity Fees, the MSRB projects that the Municipal Advisor Professional Fee would generate 8% of rate card revenue in 2029.

[26] *See* Revised Funding Policy, *supra* note 17, at ''Organizational Reserves'' and ''Multi-Year Rate Card''.

[27] Based on written comments from stakeholders responding to the RFI, the MSRB determined to prioritize the reduction of reserves through Temporary Credits over either more significant year-to-year changes that could be allowed with a higher Annual Rate Change Limit or mechanisms such as one-time rebates. *See supra* note 11, BDA Letter at 2 and SIFMA Letter at 6, 11. This is due in part to the additional certainty and stability in rates the MSRB is able to provide through a multi-year rate card that would not depend on unscheduled lump sum adjustments.

[28] *See* Revised Funding Policy, *supra* note 17, at ''Organizational Reserves''.

[29] The board of directors of the MSRB has approved a budget of $46.2 million for the fiscal year ending September 30, 2026. *See* MSRB Press Release, MSRB Approves FY 2026 Budget, Amended Rate Card Filing, Elects Board Leadership at Quarterly Board Meeting (July 24, 2025), available at *https://www.msrb.org/Press-Releases/MSRB-Approves-FY26-Budget-Amended-Rate-Card-Filing-Elects-Board-Leadership-Quarterly*. The MSRB will publish on its website its fiscal year 2026 budget at the start of the fiscal year, on or around October 1, 2025, which will be available at *https://www.msrb.org/MSRB-News/About-Us#About_Us_Publications*.

[30] *See* Revised Funding Policy, *supra* note 17, at ''Organizational Reserves''.

[31] *See* Revised Funding Policy, *supra* note 17, at ''Multi-Year Rate Card''.

[32] Thus, the word ''annual'' would be removed in references to ''annual rate card'' in Rule A–11(b), Supplementary Material .01 to Rule A–11, Rule A–13(b), Rule A–13(d)(i)–(ii), Rule A–13(d)(iv)(a)–(b), and Supplementary Material .01 and .01(b). Other uses of the term ''annual'' in Rule A–11(b) are either retained without change or are deleted as part of broader deletions of language described above with respect to the change in the rate card model. *See supra* note 17.

[33] In the case of the Municipal Advisor Professional Fee, language would be added in Supplementary Material .01 to Rule A–11 to make explicit that the charge is based on the number of covered professionals in the respective year for which the fee is to be assessed, and the rates for each year would be listed in clauses (a)–(d) thereof. While the Market Activity Fees themselves would not change from year to year within the four-year period covered by the proposed rule change, since the Temporary Credit that would be applied pursuant to Supplementary Material .01(c) to Rule A–13 for the first two years, the net rate of assessment of the Market Activity Fees for the first two years would be listed in clauses (i)–(iii) thereof.

operating and administering the MSRB.[34] Such rules must specify the amount of such fees and charges, which may include charges for failure to submit to the MSRB, or to any information system operated by the MSRB, within the prescribed timeframes, any items of information or documents required to be submitted under any rule issued by the MSRB.[35]

The MSRB believes that the proposed rule change establishes reasonable fees and charges to be paid by regulated entities consistent with Section 15B(b)(2)(J) of the Exchange Act.[36] The proposed rule change is designed to promote the collection of reasonable, predictable, and stable fees from MSRB regulated entities as may be necessary or appropriate to defray the costs and expenses of operating and administering the MSRB, including maintaining a responsible level of organizational reserves. The MSRB's fiscal year 2026 budgeted expenses total $46.2 million.[37] This represents a 5.2% decrease in expenses compared to the fiscal year 2025 budgeted expenses.[38] In its underlying analysis, the MSRB assumes an annual average expense growth rate of 3.4% for fiscal years 2027 through 2029. In determining the reasonableness of this expense growth rate, the MSRB consulted the average annual growth rate of the Consumer Price Index, a standard index of inflation, which over the prior 4-year period ranged from 3–5% annual increases. At the end of fiscal year 2024, the MSRB's reserves balance was $48.4 million and is projected to be $60.8 million by the end of fiscal year 2025. To achieve a goal of reducing the MSRB's reserves balance to within the 20% Reserve Target Tolerance of its reserve target level of $30 million, the MSRB believes the 45% Temporary Credit for the Market Activity Fees would effectively reduce reserve levels, which were driven largely by market activity fee revenue performance in recent years. With respect to its revenue expectations for fiscal year 2026, the MSRB anticipates the revenue from the Rate Card Fees to represent 78% of total revenues, with the remaining 22% of revenues comprised of data subscription fees, underwriting assessments for certain municipal fund securities offerings under Rule A–13(c), annual and initial fees under Rule A–12(b) and (c), investment income, fine revenue, and other miscellaneous revenue (including examination fees under Rule A–16).

Thus, the MSRB believes that the proposed rule change is necessary and appropriate to fund the operation and administration of the MSRB and, thereby, satisfies the requirements of Section 15B(b)(2)(J)[39] through the achievement of a reasonable fee structure that (i) improves the stability and predictability of Rate Card Fees over time; (ii) maintains an appropriate balance of assessments on regulated entities;[40] and (iii) improves the MSRB's ability to manage organizational reserves responsibly while minimizing fee volatility and other operational disruptions to regulated entities.

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

Section 15B(b)(2)(C) of the Exchange Act requires that MSRB rules not be designed to impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act.[41] The proposed rule change, including the modifications to the MSRB Rate Card Process through the proposed amendments to Rule A–11 and Rule A–13, would not create any burden on competition. As intended under the proposed rule change, the Rate Card Fees are applicable to all dealers and municipal advisors over the course of the four years covered by the proposed Multi-Year Rate Card. The MSRB therefore does not believe the proposed rule change would create any burden on competition for regulated entities, as the projected fee proportions would maintain balance between Municipal Advisor Professional Fees and Dealer Market Activity Fees, as well as among the three dealer fees that make up the Market Activity Fees, and would enhance fairness in fees across regulated entities by providing a clear blueprint of financial expectations for the four years of the proposed Multi-Year Rate Card. Therefore, since the proposed rule change would not create any burden on competition, the MSRB believes that the proposed rule change would meet the statutory requirement that its rules not impose any burden on competition that is not necessary or appropriate in

[34] 15 U.S.C. 78*o*–4(b)(2)(J).

[35] *Id.*

[36] *Id.*

[37] *See supra* note 29. As in past years, the MSRB's fiscal year 2026 budget will include, among other things, information regarding budgeted expenses by major organizational activities. Technology-related activities generally comprise the largest share of budgeted expenses, with such activities being generally divided between information technology services and market transparency products and services. Information technology services pertain to ensuring security, availability and resiliency for both internal organizational technology needs and external market and regulatory transparency systems, and such services generally bridge internal and external technology needs and only less frequently are confined to one or the other. Similarly, market transparency products and services pertain to the various different market and regulatory transparency systems, and such systems generally operate using shared technology platforms, data resources and information technology services and only less frequently have such platforms, resources and services that are confined to a single system. As such, the MSRB does not budget based on systems. However, consistent with the MSRB's commitment made in the 2024 MSRB Response Letter, *supra* note 7, at 6–7, the MSRB has developed reasonable allocation assumptions to assist in the understanding of the MSRB's technology system-related expenses. Figures developed using those assumptions, however, may not reflect the actual manner in which funds are expended and effort is applied to a particular system. Using such assumptions, the MSRB estimates that, of the combined information technology services and market transparency products and services budgets for fiscal year 2026 totaling $27.1 million, slightly more than one-quarter would be allocable to trade data collection and processing through the Real-Time Transaction Reporting System (RTRS) under MSRB Rule G–14, on reports of sales or purchases, and Information Facility 1 (IF–1). Approximately half of this combined technology budget would be allocable, in approximately equal shares, to: (i) the combined services for primary market disclosures through the Electronic Municipal Market Access (EMMA®) Primary Market Disclosure Service under MSRB Rule G–32, on disclosures in connection with primary offerings, and Information Facility 3 (IF–3), and continuing disclosures through the EMMA Continuing Disclosure Service under IF–3 and Commission Rule 15c2–12, on municipal securities disclosure, adopted by the Commission under the Exchange Act; (ii) data dissemination services (including the EMMA website for public dissemination as well as subscription services under IF–3 for the MSRB's various market transparency systems to subscribers for use either internally, to make available to their client-base, or to develop or populate their data products for re-dissemination to their customers); and (iii) regulatory, compliance and administration services (including but not limited to maintenance of the MSRB.org website, data/services for use solely by other regulators through the Regulator Web (RegWeb) service, the system for registering regulated entities with the MSRB under MSRB Rule A–12, on registration, and authentication systems for secure submissions to and other uses of MSRB transparency and other systems, including MSRB Gateway). The final portion, constituting approximately 20% of the combined technology budget, would be allocable to (i) the system for variable rate securities interest rate and documentation collection through the Short-Term Obligation Rate Transparency (SHORT) System under MSRB Rule G–34, on CUSIP numbers, new issue, and market information requirements, and Information Facility 2 (IF–2), and (ii) all internal technology needs. These figures are likely to vary from year to year. EMMA is a registered trademark of the MSRB.

[38] *See https://www.msrb.org/sites/default/files/2024-10/MSRB-FY-2025-Budget-Summary.pdf.*

[39] 15 U.S.C. 78*o*–4(b)(2)(J).

[40] *See supra* note 25. The proposed rule change maintains the contribution targets set forth when the MSRB established the rate card process in 2022, which the MSRB believes remain appropriate as no durable, material shift in market structure has occurred to warrant alteration of current target contribution levels. The proposed rule change's Temporary Credits apply to dealer Market Activity Fees because the MSRB's excess reserves resulted from revenue derived from extraordinary market trading and issuance volume between 2023 and 2025. *See infra* note 47.

[41] 15 U.S.C. 78*o*–4(b)(2)(C).

furtherance of the purposes of the Exchange Act.

In determining whether the proposed rule change is necessary and appropriate, the MSRB was guided by the MSRB's Policy on the Use of Economic Analysis in MSRB Rulemaking.[42] In accordance with this policy, the MSRB evaluated the potential impacts of the proposed rule change relative to the current baseline fee structure. The Multi-Year Rate Card Process, proposed by the proposed rule change, is intended to introduce a new fee structure that would (i) better mitigate the impact of market volatility on the MSRB's revenue structure (and, consequently, also better mitigate the impact of market volatility on the MSRB's organizational reserves), and (ii) establish rates for a four year cycle that would provide greater predictability and stability of Rate Card Fees over the long term than the MSRB's current fee structure.[43] Furthermore, the Multi-Year Rate Card Process would maintain balance between Municipal Advisor Professional Fees and dealers' Market Activity Fees. This would be achieved by raising the Municipal Advisor Professional Fee by 6.6% for 2026, and then increasing it by approximately 6% per year through 2029, thereby maintaining the contribution target for the Municipal Advisor Professional fee at 8% of all Rate Card Fees collected by the fourth year of the proposed Multi-Year Rate Card.[44] Additionally, the MSRB would provide a 45% discount, through the Temporary Credits, for Market Activity Fees in 2026 and 2027. The MSRB believes that these actions would provide balance for regulated entities. Lastly, as part of the Revised Funding Policy, the MSRB would address its surplus reserves by providing dealers with Temporary Credits in an effort to draw down the organization's reserves. The current reserve levels exceeded the 20% threshold[45] in large measure resulting from the suspension and subsequent withdrawal of the 2024 Rate Card Proposal and a period of record trading and issuance volume that increased the excess reserve.[46] The MSRB anticipates that the Temporary Credits would address stakeholder concerns regarding the organization's current reserve levels.

The MSRB believes that the proposed rule change would address industry concerns regarding the stability and predictability[47] of the proposed Rate Card Fees; enhance fairness in fee burdens between dealers and municipal advisors as mentioned above; and allow the MSRB to manage organizational reserves responsibly while minimizing uncertainty and possible operational disruptions to regulated entities. The proposed rule change is designed to provide greater predictability and stability of the Rate Card Fees for the next four years: 2026, 2027, 2028, and 2029. Additionally, the proposed technical amendments to Rule A–11 and Rule A–13 are intended to provide greater clarity on the assessment of fees referenced in MSRB rules by removing references to ''Annual'' Rate Card throughout. Without the proposed rule change, the MSRB would be less able to maintain its target balance of Rate Card Fees between dealers and municipal advisors or to manage fee volatility while also ensuring that its organizational reserves are reflective of the Revised Funding Policy.

Baseline and Reasonable Alternative Approaches

The MSRB's Policy on the Use of Economic Analysis in MSRB Rulemaking outlines that rulemaking must articulate a baseline against which to measure the likely economic impact of the proposed rule change,[48] which is essential in considering the likely costs and benefits of a proposed rule change when the proposal is fully implemented (future state). For the proposed rule change, the baseline is Rule A–11, on assessments for municipal advisor professionals and Rule A–13, on underwriting and transaction assessments for brokers, dealers and municipal securities dealers currently in effect. The relevant portions of Rule A–11 and Rule A–13, the aforementioned baseline, were last amended in 2022 and established a rate card model intended to be amended on a yearly basis. However, as discussed in previous sections, the MSRB withdrew its 2024 Rate Card Proposal based on industry feedback and now seeks to establish a multi-year process.

In addition to the proposed Multi-Year Rate Card Process, the MSRB also considered other fee assessment alternatives but ultimately decided that the proposed Multi-Year Rate Card Process is the best approach to provide greater predictability and stability for regulated entities along with ensuring a stable revenue stream for the MSRB. In one alternative, the MSRB considered the development of a new fee structure without a specified time horizon for its applicability. The alternative fee structure would become effective on January 1, 2026 and would remain in place indefinitely until modified by a subsequent rule filing. This alternative would provide regulated entities predictable fees that would not be altered without a process of stakeholder outreach and advanced notice. However, without the built-in combination of flexibility and structure of the Multi-Year Rate Card Process, the MSRB may, for example, develop accumulated excess reserves resulting from additional revenue collected as compared to budget expectations and, thereby, would be more likely to face the potential need for one-time rate amendments in the form of more significant, ad hoc temporary fee reductions or rebates.[49] In comparison,

[42] *See* MSRB Policy on the Use of Economic Analysis in MSRB Rulemaking, available at *https://www.msrb.org/Policy-Use-Economic-Analysis-MSRB-Rulemaking.* In evaluating whether there was any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act, the MSRB was guided by its principles that required the MSRB to consider costs and benefits of a rule change, its impact on efficiency, capital formation and competition, and the main reasonable alternative regulatory approaches.

[43] *See* related discussion *supra* under Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change—Purpose—Proposed Multi-Year Rate Card Fees.

[44] *See supra* note 25.

[45] *See supra* Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change—Purpose—Multi-Year Rate Card Process and Reserves Management. The MSRB's reserves balance at the end of fiscal year 2024 was $48.4 million and is projected to be $60.8 million by the end of fiscal year 2025.

[46] Between 2022 and 2024 the market experienced three consecutive years of record trade count, culminating with 14.5 million total trades in the calendar year of 2024, including trades that MSRB does not bill for such as variable rate securities, a 10% increase from the previous record year of 2023. Similarly, in calendar year 2024, new issuance volume also reached record levels exceeding $500 billion for the first time. The consecutive record years for trading volume and new issuance volume have contributed significantly to the MSRB exceeding its funding levels. *See* John Bagley, Carol Converso and Marcelo Vieira, ''2024 Municipal Market Year in Review,'' MSRB, January 2025, available at *https://www.msrb.org/sites/default/files/2025-01/MSRB-2024-Municipal-Market-Year-in-Review.pdf.*

[47] *See supra* note 11, SIFMA Letter at 5–6, 8; BDA Letter at 1 and 3; and ICE Letter at 1–2.

[48] *See supra* note 43. The policy identifies the baseline (in point 2, titled ''Articulate a baseline against which to measure the likely economic impact of the proposed rule change''), as ''an assessment of the status of the markets and participants potentially affected directly or indirectly by a proposed rule change (collectively, the ''affected parties'') in the absence of the proposed rule change being implemented.''

[49] For example, in Fiscal Year 2020, the MSRB collected $4.9 million more than budgeted from market activity fess due to a variety of factors including the COVID–19 pandemic and a low-interest rate environment. *See* MSRB 2020 Annual Report, available at *https://www.msrb.org/sites/default/files/MSRB-2020-Annual-Report.pdf.* Conversely, in a slow trading environment, MSRB's reserves may fall below the target amount and may require rulemaking to potentially implement a one-time fee increase to make up the shortfall.

the proposed rule change establishing a Multi-Year Rate Card Process would create a formalized process for the MSRB to reevaluate fees in comparison to the MSRB's reserves and make adjustments at the end of each multi-year period. Thus, comparing to the current no-end-date fee structure, the proposed Multi-Year Rate Card framework would result in more regular and potentially more frequent, but also more incremental, adjustments to the four Rate Card Fees that generate the vast majority of the MSRB's annual revenue. Following the implementation of the proposed rule change, the MSRB will continue to take additional steps to collect stakeholder feedback for future multi-year Rate Card Fee adjustment. The proposed rule change is meant to avoid either the accumulation of excess reserves resulting from additional revenue collected or unexpected reserves and revenue shortfall due to market volatility and, thereby, the need for rate amendments in the form of more significant, ad hoc temporary fee adjustments. In summary, this alternative of a fixed set of fees does not help achieve the reserve management goals of the MSRB, and it is for this reason that the MSRB assesses that the proposed rule change is superior to this alternative.

Relatedly, the MSRB also considered different time horizons to be used for the Multi-Year Rate Card Process, such as three years, five years or more than five years. However, the MSRB ultimately decided that a four-year time horizon is most appropriate. The MSRB made this determination to balance stability and predictability in rates with the potential risks of changes in market activity over a longer period that could result in insufficient or excess reserves. Therefore, the MSRB determined that two or three years would be too short and may add fee uncertainty for regulated entities, while five years or longer would be too long because market dynamics may change over that period, rendering the established outdated or ineffective for reserves management.[50]

Another alternative the MSRB reviewed was to include other sources of revenue in the Multi-Year Rate Card Process, such as revenue derived from bulk data users, initial and annual registration fees under MSRB Rule A–12, and underwriting assessments for underwriters of certain municipal fund securities under Rule A–13(c).[51] However, the MSRB ultimately decided not to include those fees for a variety of reasons. Fees from bulk data users are voluntary while assessments on regulated entities are mandatory. Also, each of the other noted fees constitutes a much smaller proportion than the four categories in the proposed Multi-Year Rate Card Process.[52]

Finally, the MSRB also considered a different way to apportion fees within each class of fee payer but decided that the proposed Multi-Year Rate Card Process is the best way to achieve proportionate revenue based on the MSRB's available information, *i.e.,* underwriters pay based on their volume underwritten, trading firms pay based on their trading activities (in par value and trade count), and municipal advisory firms pay based on the headcount of a firm. A fee assessment method based on a percentage of each regulated entity's revenue, for example, would not be feasible at this time as the MSRB does not currently have such information. In addition, many municipal advisory firms would likely have business activities not solely related to municipal advisory services. At this time, the MSRB believes that the Municipal Advisor Professional Fee for each person associated with the firm who is qualified is a reasonable proxy for the size of relevant business activities conducted by each municipal advisory firm. However, the MSRB commits to engage with stakeholders to discuss possible alternative methods for municipal advisor fees.

Benefits, Costs and Effect on Competition

The proposed rule change is intended to benefit regulated entities by providing greater regulatory clarity for the assessment of fees on MSRB regulated entities for a period of four years under the rules. The proposed rule change also is intended to benefit dealers by providing a two-year reduced rate for underwriting fees, transaction fees, and trade count fees, as these Market Activity Fees were mainly responsible for driving the MSRB's excess reserves from 2023 through 2025 because of unprecedent market trading volume as described earlier. The proposed Multi-Year Rate Card Process would likely result in smaller downward or upward quadrennial adjustments to keep revenues more closely aligned with budgeted expenses.

Benefits

The proposed rule change would result in a revised fee approach intended to align revenues and expenses more closely and to reduce the year-to-year volatility in the amount of fees collected by the MSRB. In addition, the MSRB expects that the four-year period would improve the stability and predictability of Rate Card Fees for regulated entities and remove the variability that was present with the year-to-year approach. Furthermore, the MSRB also expects that the proposed rule change would ensure that there is a fair and equitable balance of fees between all regulated entities. Lastly, the proposed rule change would enhance the MSRB's ability to manage organizational reserves while minimizing fee volatility and other operational disruptions to regulated entities.

Costs

The MSRB anticipates that regulated entities would incur minor costs from the Multi-Year Rate Card Process as part of their assessed fees. While there may be additional costs associated with the Multi-Year Rate Card Process for municipal advisors through the fee assessment, dealers would see lower fees in 2026 and 2027. The MSRB believes that the fees are reasonable and appropriate as they would improve stability and predictability over time; enhance fairness of fee burdens between regulated entities; and improve the MSRB's ability to responsibly manage organizational reserves.

Proposed Rule Change

Some regulated entities would incur costs in the form of newly assessed fees under the proposed Multi-Year Rate Card Process. This includes the fact that the Municipal Advisor Professional Fee would increase each of the four years; however, this is intended to maintain an appropriate balance of assessments between dealers and municipal

[50] The four-year time period is also consistent with the length of the forthcoming MSRB Strategic Plan 2026–2029.

[51] *See e.g.,* MSRB 2024 Annual Report at p. 20, stating revenues collected from such sources in fiscal year 2024, available at *https://www.msrb.org/sites/default/files/2025-01/MSRB-2024-Annual-Report_0.pdf.*

[52] The MSRB determined not to include initial and annual registration fees in the Rate Card Fees and the Multi-Year Rate Card Process. Historically, initial registration fee amounts have been set with the intention of defraying a significant portion of the administrative and operational costs associated with the processing of a regulated entity's initial registration. In addition, annual registration fees are intended to serve as a fixed, baseline contribution from all registered regulated entities, irrespective of a regulated entity's actual total market activities. Furthermore, underwriting assessments for municipal fund securities are not based on activity during a particular period but instead on aggregate assets and therefore give rise to different considerations than do the Rate Card Fees. The MSRB determined that, at this time, it was not appropriate to incrementally adjust such fees each year through the Multi-Year Rate Card Process.

advisors.[53] In total, the MSRB does not believe the proposed Multi-Year Rate Card Process would create any additional costs for regulated entities when compared to the annual rate card process that was established in 2022, as the aggregate fees assessed under the proposed Multi-Year Rate Card Process—which would become effective in January 2026 with a two-year discounted rate for Market Activity Fees—are expected to remain consistent.

Regulated entities are expected to make minor one-time revisions to their policies and procedures, including accounting systems or processes, to address the technical amendments to Rule A–11 and Rule A–13. It is possible that regulated entities may need to work with in-house legal, compliance and accounting professionals to revise the policies and procedures to comply with the proposed rule change.[54] The MSRB anticipates that regulated entities would need approximately 5.75 hours on making the appropriate changes as they pertain to Rule A–11 and Rule A–13, and estimates that the total upfront costs to implement the technical amendments to be $1,990, as set forth in the following table: [55]

Estimated Technical Amendments Upfront Costs for Each Regulated Entity [56]

Cost components	Hourly rate ($)	Number of hours	Cost per firm ($)
Upfront Costs:			
(a) Revision of Policies, Procedures and Accounting Systems			
Compliance Manager	389	1	389
In-House Compliance Counsel	459	0.5	230
System Analyst	331	2	661
General Accounting Supervisor	269	2	538
Chief Compliance Officer	687	0.25	172
Total Upfront Costs	.....	5.75	1,990

Effect on Competition, Efficiency and Capital Formation

The MSRB believes that the proposed Multi-Year Rate Card Process would not impose any burden on competition, as it is intended to have a fair and equitable balance of fees between all regulated entities. The MSRB believes the proposed rate change for the Calendar Years 2026, 2027, 2028 and 2029 is necessary and appropriate to ensure prudent funding for the MSRB and that such fee increases are reasonably and fairly designed to be proportionately distributed across regulated entities in such a way that would not harm competition among regulated entities, impede capital formation, reduce market efficiency, nor otherwise harm the functioning of the municipal securities market.

Section 15B(b)(2)(L)(iv) of the Exchange Act [57] requires that MSRB rules not impose a regulatory burden on small municipal advisors that is not necessary or appropriate in the public interest and for the protection of investors, municipal entities, and obligated persons, provided that there is robust protection of investors against fraud. The MSRB believes that the proposed Municipal Advisor Professional Fee would not impose an unnecessary or inappropriate regulatory burden on small municipal advisors since the total amount of the assessment payable by each municipal advisory firm would continue to be proportional to the number of Form MA–I filed by a firm and, therefore, would result in lower relative assessments for smaller firms. Based on the number of persons engaging in municipal advisory activities on behalf of a firm, the total fee would therefore bear a reasonable relationship to the level of regulated municipal advisory activities that are undertaken by each firm.

For the reasons noted above, the MSRB does not believe that the proposed rule change would result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act.

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

The MSRB did not solicit comment on the proposed rule change. However, the MSRB received comments from six commenters on the RFI, with comments on the Rate Card Fees having informed the MSRB in formulating the proposed rule change.[58]

While two commenters on the RFI supported the existing rate card process,[59] three commenters expressed the view that the existing rate card process permits too much fee volatility and unpredictability from year to year.[60] One commenter suggested that the current cap on year-over-year increases in Rate Card Fees should be reduced from 25% to 15%,[61] with another commenter suggesting that such cap be reduced to 10%.[62] Two commenters agreed that, when organizational

[53] For example, in future iterations of the Multi-Year Rate Card Process, the Municipal Advisor Professional Fee may either decrease or increase less than other fees based on the MSRB's reserves and the proportionate fee contribution.

[54] For example, the new issue fee may have to be changed in the programs dealers use for new issues.

[55] The hourly rate data was gathered from the Commission's Amendments to Exchange Act Rule 3b–16. *See* Exchange Act Release No. 94062 (Jan. 26, 2022), 87 FR 15496, 15624, n. 1102 (March 18, 2022) (File No. S7–02–22) (citing the original source of the data from Securities Industry and Financial Markets Association Management & Professional Earnings in the Securities Industry 2013). The data reflects the 2025 hourly rate level after adjusting for the annual wage inflation between 2013 and 2025, using the Federal Reserve Bank of St. Louis Employment Cost Index: Wages and Salaries: Private Industry Workers, available at: *https://fred.stlouisfed.org/series/ECIWAG.*

[56] Numbers in the table have been rounded to the dollar; therefore, totals may not exactly match.

[57] 15 U.S.C. 78*o*–4(b)(2)(L)(iv).

[58] *See* NAMA Letter, PRAG Letter, SIFMA Letter, BDA Letter, ASA Letter and ICE Bonds Letter, *supra note* 11. Comments are available at *https://www.msrb.org/sites/default/files/2025-02/All-Comments-to-Notice-2024-14.pdf.* Some commenters also addressed MSRB budgetary processes and related MSRB technology costs. The MSRB has engaged in direct conversations on these matters with stakeholder groups in connection with the MSRB's budget, including its adoption of the 2026 annual budget, both prior to and after publishing the RFI. *See supra* note 10. While the MSRB addresses certain key budget, revenue and technology cost matters above, *see supra* Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change—Statutory Basis, the discussion of comments herein is generally confined to those comments addressing the Rate Card Fees.

[59] *See* NAMA Letter at 1; PRAG Letter at 1.

[60] *See* SIFMA Letter at 5; BDA Letter at 1; ICE Bonds Letter at 1.

[61] *See* SIFMA Letter at 5.

[62] *See* BDA Letter at 1.

reserves are too high, fees should be lowered to reduce reserve levels to established targets,[63] with one commenter stating that the existing reserve target is appropriate[64] while the other commenter suggested that the MSRB reduce its reserve target to six months of operating expenses.[65] These two commenters agreed that reserves should be used to help keep rates stable from year to year but did not support the establishment of a separate rate stabilization fund.[66] One commenter noted that there may be value in a multi-year fee-setting process to help stabilize fees[67] and another commenter did not oppose a multi-year process so long as there is a mechanism to adjust fees if reserves grew too large.[68]

The MSRB believes that the proposed Multi-Year Rate Card Process incorporates key elements that are responsive to these comments. The Annual Rate Change Limit that would be included in the Multi-Year Rate Card Process would be set at 15%, lower than the current 25% cap. The proposed Temporary Credits for 2026 and 2027, and the potential use of Temporary Credits in the future to reduce any excess reserves, is responsive to commenters desire to use reserves for such purpose without creating a separate stabilization fund. The MSRB believes that these and other aspects of the Multi-Year Rate Card Process, including the establishment of fees over a multi-year period rather than on an annual basis, appropriately address the desire to reduce volatility and unpredictability of fees.

Two commenters generally agreed that activity-based fees for the Market Activity Fees are appropriate.[69] One commenter suggested that Market Activity Fees be based on activity in the preceding year rather than on projections of activity,[70] while another commenter suggested that, in the case of a dealer operating an alternative trading system (''ATS''), the MSRB should have an alternative method for assessing market activity more tailored to the nature of the ATS business.[71]

The MSRB would maintain the existing Market Activity Fees under the proposed rule change and believes that they remain the appropriate mechanisms for assessing activity-based fees for dealers. The MSRB believes that the use of a five-year historical average of market volume for its underlying assumptions under the Multi-Year Rate Card Process would better smooth the annual volatility in market activity and therefore the amount of assessments imposed than would a model that, on an annual basis, relies on the past year's levels of activities, which can fluctuate considerably from year to year. The MSRB appreciates the concerns expressed regarding ATS-related fees and will continue to assess in the future whether the current model remains appropriate in the context of considering more broadly the full range of sources of MSRB revenues, including whether certain business models merit alternative manners of assessments, whether existing fees and charges not included in the Rate Card Fees should be modified, whether any regulated entity activities that may not currently be subject to any MSRB fees or charges should be made subject to assessment, and whether current fee models for subscriptions to MSRB data products should be revisited.

Three commenters suggested that the MSRB develop an activity-based or revenue-based fee model for municipal advisors, which they believed would be appropriate to address what they view as an imbalance in the share of MSRB costs borne by dealers as compared to municipal advisors.[72] Two of these commenters suggested that the MSRB require municipal advisors to report to the MSRB on their municipal advisory activities and/or revenues.[73] In contrast, two commenters argued that the current Municipal Advisor Professional Fee based on covered professionals of a municipal advisor should be maintained and that activity-based fees for municipal advisors should not be considered.[74] These commenters stated that the MSRB had considered the proper model and level of municipal advisor fees, including as compared to dealer fees, in the course of developing the rate card model and that no material changes had occurred since then that would justify a change in the MSRB's approach.[75] These commenters also noted that municipal advisors engage in a variety of types and scopes of municipal advisory and other activities and use a variety of compensation structures, and that a reporting regime for such information would be burdensome.[76]

The MSRB continues to believe that, for purposes of the Multi-Year Rate Card Process for establishing the Rate Card Fees pursuant to this proposed rule change, it is appropriate to maintain the existing Municipal Advisor Professional Fee, with a measured year-to-year increase to maintain the balance between dealer and municipal advisor fees determined by the MSRB when it established its original rate card process. However, with respect to municipal advisor rate card assessments, the MSRB believes that it would be appropriate, over the course of this upcoming multi-year period, to undertake a review of municipal advisory activities and any potential mechanisms for gauging levels and types of such activities that might be appropriate for use in future municipal advisor rate settings under the Multi-Year Rate Card Process. The MSRB has launched a broader retrospective rule review of its suite of municipal advisor rules[77] adopted by the MSRB since enactment in 2010 of the Dodd-Frank Wall Street Reform and Consumer Protection Act,[78] which first defined the term ''municipal advisor'' and granted rulemaking authority to the MSRB in this area. The MSRB will incorporate its review of potential alternative methods of assessing municipal advisors within the scope of the retrospective rule review, which will entail outreach to market participants and opportunities for interested parties to provide comment on any proposed changes to the municipal advisor assessment process.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period of up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing,

[63] *See* SIFMA Letter at 6; BDA Letter at 2.

[64] *See* BDA Letter at 2.

[65] *See* SIFMA Letter at 6.

[66] *See* SIFMA Letter at 11; BDA Letter at 2.

[67] *See* BDA Letter at 2.

[68] *See* SIFMA Letter at 6.

[69] *See* SIFMA Letter at 5, 9; BDA Letter at 1.

[70] *See* SIFMA Letter at 5–6, 8–9.

[71] *See* ICE Bonds Letter at 1–2.

[72] *See* SIFMA Letter at 3–5, 9–10; BDA Letter at 2; ASA Letter at 1–2.

[73] *See* SIFMA Letter at 4, 10; BDA Letter at 2.

[74] *See* NAMA Letter at 4–5; PRAG Letter at 1.

[75] *See* NAMA Letter at 2–3; PRAG Letter at 2.

[76] *See* NAMA Letter at 5; PRAG Letter at 1.

[77] *See* MSRB Press Release dated Jan. 31, 2025, available at: *https://www.msrb.org/Press-Releases/MSRB-Discusses-Market-Regulation-Structure-and-Transparency-Initiatives-Quarterly.*

[78] Public Law 111–203, 124 Stat. 1376 (2010), Section 975; 15 U.S.C. 78*o*–4(b)(2).

including whether the proposed rule change is consistent with the Exchange Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include File Number SR–MSRB–2025–02 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

All submissions should refer to File Number SR–MSRB–2025–02. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*http://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the MSRB. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to File Number SR–MSRB–2025–02 and should be submitted on or before October 24, 2025.

For the Commission, pursuant to delegated authority.[79]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025–19382 Filed 10–2–25; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–104160; File No. SR–CBOE–2025–079]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing of a Proposed Rule Change To Amend Rule 5.1(c) (Global Trading Hours)

September 30, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on September 30, 2025, Cboe Exchange, Inc. (the ''Exchange'' or ''Cboe Options'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Cboe Exchange, Inc. (the ''Exchange'' or ''Cboe Options'') proposes to amend Rule 5.1(c) (Global Trading Hours) to allow for trading of multi-listed equity options that meet certain eligibility criteria during Global Trading Hours (''GTH'') and to establish GTH sessions for designated multi-listed equity options as 7:30 a.m. ET to 9:25 a.m. ET and 4:00 p.m. ET to 4:15 p.m. ET or as permitted as a GTH session on another exchange. The Exchange also proposes to make changes to additional rules as necessary to support GTH trading for equity options. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Commission's website (*https://www.sec.gov/rules/sro.shtml*), the Exchange's website (*https://www.cboe.com/us/options/regulation/rule_filings/bzx/*), and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rule 5.1(c) to allow for trading of certain multi-listed equity options during GTH, establish specific trading hours for GTH sessions during which such multi-listed equity options may trade, and modify additional rules as necessary to support trading of GTH in equity options.

By way of background, the Exchange currently offers three trading sessions:[3] Regular Trading Hours (''RTH''), Curb Trading Hours (''Curb''), and GTH. Rule 5.1 sets forth the trading hours for the Exchange's RTH, Curb, and GTH trading sessions. RTH for transactions in equity options (including options on individual stocks, ETFs, ETNs, and other securities) occurs from 9:30 a.m.[4] to 4:00 p.m. Monday through Friday as the normal business hours set forth by the primary market trading the securities underlying the options, except for options on ETFs, ETNs, Index Portfolio Shares, Index Portfolio Receipts, and Trust Issued Receipts that the Exchange designates to remain open for trading beyond 4:00 p.m. but in no case will the RTH session continue after 4:15 p.m.[5] The Curb session is from 4:15 p.m. to 5:00 p.m., for designated classes, Monday through Friday.[6] The Exchange's Rules provide that the Exchange may designate as eligible for trading during GTH any exclusively listed index option designated for trading under Chapter 4, Section B. Currently, options on S&P 500 Index (''SPX'') and CBOE Volatility Index® (''VIX'')[7] as well as Cboe Mini SPX Index Options (''XSP'') are approved for trading during GTH.[8] Trading in GTH for index options occurs from 8:15 p.m. to 9:25 a.m. the next day, Monday through Friday.[9]

By way of further background, the Exchange originally adopted the GTH trading session in 2014 due to global demand from investors to trade SPX and VIX options as alternatives for hedging and other investment purposes, particularly as a complementary investment tool to VIX futures.[10] In

[79] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] The term ''trading session'' means the hours during which the Exchange is open for trading for Regular Trading Hours, Global Trading Hours or Curb Trading Hours (each of which may referred to as a trading session), each as set forth in Rule 5.1. Unless otherwise specified in the Rules or the context otherwise indicates, all Rules apply in the same manner during each trading session. *See* Rule 1.1 (Definitions).

[4] All times referenced herein are Eastern Time, unless otherwise specifically noted.

[5] *See* Rule 5.1(b)(1).

[6] *See* Rule 5.1(d).

[7] The Exchange intends to list options on Russell 2000 Index (''RUT''), Mini-Russell 2000 Index (''MRUT''), and Cboe Magnificent 10 Index (''MGTN'') during GTH pursuant to rule changes that are effective but not yet operative. See SR–CBOE–2025–070 (September 26, 2025) and SR–CBOE–2025–071 (September 26, 2025).

[8] *See* Rule 5.1(c)(1).

[9] *See* Rule 5.1(c).

[10] *See* Securities Exchange Act Release No. 34–73017 (September 8, 2014), 79 FR 54758 (September 12, 2014) (SR–CBOE–2014–062).

response to customer demand for additional options to trade during the GTH trading session for similar purposes, the Exchange designated XSP options as eligible for trading during GTH.[11]

The Exchange believes customer demand now extends to trading equity options outside of RTH. Consequently, the Exchange proposes to designate equity options that meet certain criteria as eligible for trading during GTH. The addition of certain equity options to GTH will help align trading in such products to the expanded trading that now occurs for the underlying securities and to keep pace with the continuing internationalization of securities markets. As stated previously, transactions in most options on equities may be made on the Exchange during RTH between 9:30 a.m. through 4:00 p.m., which is in alignment with the trading hours of the exchanges trading the stocks underlying CBOE options. Although the time of RTH is consistent with the regular trading hours of the other U.S. options exchanges and regular trading hours of equity exchanges that underlying Cboe listed options, many U.S. stock exchanges allow for trading products for various periods of time outside of RTH.[12]

Securities trading has become a global industry, but investors located outside of the United States may choose not to access U.S. markets during hours of RTH. The Exchange believes there is global demand from investors for options on equities for various investment purposes. However, given that equity options trade during RTH only, it is difficult for non-U.S. investors to take advantage of trading in these options. Additionally, U.S. investors that trade in equities outside of regular trading hours are unable to access the equities options for hedging and other purposes as part of their investment strategies during trading sessions outside of RTH. In response, the proposed rule change amends Rules 5.1(c) to add equity options to the type of product the Exchange has approved for trading on the Exchange during GTH and establishes the specific hours such equity options may trade in GTH.

The Exchange proposes to offer GTH trading in equity options that meet certain criteria sessions occurring prior to the commencement of RTH, from 7:30 a.m. to 9:25 a.m. Monday through Friday and, for equity options that meet certain criteria and that are not options on ETFs, ETNs, Index Portfolio Shares, Index Portfolio Receipts, and Trust Issued Receipts that the Exchange has designated as eligible to remain open for trading until 4:15 p.m., through a session occurring immediately after RTH from 4:00 p.m. to 4:15 p.m. Monday through Friday as GTH. These GTH sessions will allow market participants to engage in the trading of designated equity options in conjunction with trading in the underlying securities during these hours. However, since trading in equity options in GTH is a new initiative, the Exchange proposes to amend Rule 5.1(c) to limit the number of equity options classes that may be designated for GTH at 100 option classes. The limit is intended to allow the Exchange to monitor and assess the development and functioning of GTH markets for equity options within a limited group of equity options initially.

The Exchange further proposed to amend Rule 5.1(c) by establishing criteria an option class must meet to be eligible for GTH trading in new Rule 5.1(c)(2).[13] Specifically, the Exchange may designate as eligible for trading during GTH up to 100 actively traded multiply-traded option classes for which (i) the option has an average daily volume of 150,000 contracts, (ii) the underlying equity to the option has a $50 billion market capitalization, and (iii) the underlying equity to the option has an average daily trading volume of 10 million shares. The Exchange believes these criteria will help ensure options designated for trading in GTH will have sufficient demand and liquidity to support a GTH market. Additionally, this criteria may be waived if, during the three days following an underlying security's initial public offering day, the underlying security has a market capitalization of at least $3 billion based on upon the offering price of its initial public offering (''IPO''), in which case options on the underlying security may be listed and traded in GTH starting on or after the second business day following the initial public offering day. If in the case of an IPO, the Exchange waives the criteria to designate an equity option class for GTH, such option class will be included against the 100 option class limit in Rule 5.1(c). The Exchange believes the requirements established in Rule 5.1(c) will result in the eligibility of equity option classes for GTH for option classes with the highest anticipated demand.

The Exchange may also designate as eligible for trading during Global Trading Hours any equity option that is traded on another exchange during GTH or any other extended trading hours session that is not RTH or Curb. Any equity option designated by the Exchange as eligible for GTH trading because the option is traded by another exchange during GTH or other extended trading hour session that is not RTH will not be included against the 100 option class limit in Rule 5.1(c). The Exchange believes exclusion of such equity options initially traded in a GTH or other extended trading hours session from the 100 option class limit is appropriate for competitive purposes since such listings can indicate the continued expansion of equity option trading outside of RTH. Additionally, this exclusion from the 100 option class limit is similar in structure to the rules for Short Term Options Series which allow the Exchange to list additional option classes selected by other exchanges under their short term option rules and such selections are in addition to the 50 Short Term Option Series classes that the Exchange may select.[14]

Cboe recognizes that the proposed GTH sessions for equity options is shorter than both the GTH session for index options and extended trading hour sessions for equities. Whereas index options eligible for GTH may trade between 8:15 p.m. to 9:25 a.m. the next day [15] to align with the near 24 hour trading of related futures contracts, extended trading hours sessions for equities do not extend over that same timeframe as the earliest available extended trading hours session for equity options typically commences at 4:00 a.m. and the session after an exchange's regular trading hours typically concludes at 8:00 p.m.[16] Since equity options generally will not trade unless the underlying security also trades, any trading hours outside of RTH available for equity options are limited to extended trading hours available for underlying equity security. Consequently, the Exchange proposes GTH sessions for equity options that are shorter than the GTH sessions for index options.

Although GTH for equity options could mirror the extended trading hours available for the securities underlying such options, the Exchange proposes to

[11] *See* Securities Exchange Act Release No. 34–75914 (September 14, 2015), 80 FR 56522 (September 18, 2015) (SR–CBOE–2015–079).

[12] *See, e.g.,* Cboe BZX and EDGX Equities Trading Hours (Early Trading Sessions occur from 4:00 a.m. to 8:00 a.m., Pre-Market Trading Sessions occur from 8:00 a.m. to 9:30 a.m., and Post-Market Sessions occur from 4:00 p.m. to 8:00 p.m.; *see also, e.g.,* Trading Hours for the Nasdaq Stock Markets (pre-market trading hours are 4:00 a.m. to 9:30 a.m. and after hours are from 4:00 p.m. to 8:00 p.m.).

[13] Existing Rule 5.1(c)(2)–(4) will be renumbered as Rule 5.1(c)(3)–(5).

[14] See Rule 4.5(d)(1).

[15] *See* note 8 *supra.*

[16] *See* note 10 *supra.*

limit GTH trading sessions, and proposed Rule 5.1(c) establishes GTH sessions for equity options that are notably shorter than the hours of extended trading for equities. The Exchange believes that shorter GTH sessions running from 7:30 a.m. to 9:25 a.m. and 4:00 p.m. to 4:15 p.m., rather than sessions that align with the full extended trading hours sessions available to the underlying equities, is appropriate because of the lack of industry experience with GTH for equity options that are physically-settled. Limiting the GTH window of time for equity options allows for a paced introduction of this new type of trading session for equity options. The limited trading session timeframes will allow the Exchange to monitor and assess the development and functioning of GTH markets for equity options. Additionally, the Exchange believes that the proposed timeframe for GTH for equity options can be supported by Market Makers, clearing firms, and other market participants from a personnel coverage perspective.

The availability of GTH for equity options for holidays will also differ from GTH for index options for holidays. The Exchange proposes to amend Rule 5.1(e) to clarify that, unlike GTH for index options, GTH for equity options will not occur on a holiday by stating that GTH references to holiday trading apply to GTH for index options. A GTH session for index options may (1) commence the evening prior to and extended into the morning of, or (2) commence on the evening of and extend into the morning following a domestic holiday [17] or an international holiday.[18] Since the morning GTH session for equity options will commence at 7:30 a.m. and the session immediately following RTH will end at 4:15 p.m., such GTH sessions will not extend from a prior day to a holiday into the holiday or from the evening of a holiday into the next day as GTH for index options does, and consequently GTH trading for equity options will not occur on a holiday.

The Exchange also proposes to amend Rule 5.20 by adding new section (g) to state that the trading of equity options in GTH will be subject to the same trading halt rules as equity option trading in RTH. Trading in equity options in GTH will generally halt when the underlying security of an option is halted. Trading halt provisions for GTH index options are not applicable to equity options.

The Exchange also proposes to amend the Opening Auction Process in Rule 5.31 to incorporate GTH for equity options. The current definition of Queuing Period provides that the Queuing Period for GTH for All Sessions Classes begins at 8:00 p.m., 15 minutes prior to the commencement of GTH. The Exchange proposes to amend the definition to apply the existing Queuing Period beginning at 8:00 p.m. to index options and establishing a Queuing Period for equity options in GTH commencing at 7:15 a.m., also 15 minutes prior to the commencement of the GTH session. The Exchange further proposes to further amend the definition of Opening Rotations Triggers to establish Opening Rotation Triggers processing for equity options in GTH by duplicating the existing Opening Rotations Triggers processing of RTH equity options for GTH equity options. The proposed amendments to the definitions of Queuing Period and Opening Rotations Triggers extend existing processing framework to equity options in GTH.

Whereas certain processing aspects of GTH for equity options require explicit additions to the Rules, other GTH trading rules as currently stated will apply to equity options designated for trading in GTH.

- *Eligibility:* As provided in current Rule 5.1(c)(2),[19] the Exchange may list for trading in GTH any series in eligible classes that it may list pursuant to Rule 4.13.
- *Electronic Trading:* As stated in current Rule 5.1(c)(6), all trading in GTH sessions is electronic only.
- *Book:* As stated in definition of ''Book'' in Rule 1.1, a single book is used during all trading sessions.
- *Participants:* As stated in Rule 3.61(a), in order to participate in GTH, a Trading Permit Holder must have a letter of guarantee from a Clearing Trading Permit Holder that is properly authorized by the Options Clearing Corporation (''OCC'') to operate during the GTH session. The Exchange may approve Market-Makers to act as Lead Market Makers (''LMM'') during GTH as provided in Rule 3.55 and in accordance with Rule 5.55. If an LMM is approved to act as an LMM during Global Trading Hours pursuant to Rule 3.55, then the LMM must comply with the continuous quoting obligation and other obligations of Market-Makers as referenced in Rule 5.55(b).
- *Transactions Including Obvious Errors:* As stated in Rule 6.5(d)(2), a notification must be received within 2 hours of the close of the GTH session if a party believes that it participated in a transaction that was the result of a Catastrophic Error.
- *Global Trading Hours Disclosure:* The required disclosures that a Trading Permit Holder must make to a customer prior to trading during GTH will apply to equity options trading during GTH.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the ''Act'') and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[20] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) [21] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) [22] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes the proposed rule change will remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. The proposed rule change expands the investment opportunity of GTH to an additional type of option for GTH trading, and the expansion is consistent with the continued globalization of the securities markets while improving the alignment of the Exchange's trading hours with extended trading hours of stock exchanges. The Exchange believes the proposed rule change will enhance competition by providing a service to investors that other options exchanges currently are not providing. The Exchange believes that competition among exchanges ultimately benefits the entire marketplace. Given the robust competition among the options exchanges, innovative trading mechanisms are consistent with the

[17] *See* Rule 5.1(e)(1).

[18] *See* Rule 5.1(e)(2).

[19] Rule 5.1(c)(2) will be renumbered Rule 5.1(c)(3).

[20] 15 U.S.C. 78f(b).

[21] 15 U.S.C. 78f(b)(5).

[22] *Id.*

above-mentioned goals of the Exchange Act.

While no other options exchanges currently provide trading in equity options outside of RTH, the Commission has authorized stock exchanges to be open for trading outside of those hours pursuant to the Act. As the proposed rule change expands the GTH initiative, the Exchange believes it is reasonable to trade a limited number of equity option classes for which demand is anticipated to be the highest during GTH upon implementation of GTH trading in equity options.

Apart from specific trading hours and holidays, much of the Exchange's existing GTH trading rules will apply to GTH for equity options, and in the case of trading halts, the Exchange's RTH rules for equity options generally apply. As a result, GTH for equity options will largely exist in the framework already established by rules that have been approved by the Commission as being consistent with the goals of the Act.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because all Trading Permit Holders may obtain authorization to trade during GTH; however, the proposed rule change does not impose additional burdens on those Trading Permit Holders that do not elect to trade during Extended Trading Hours. The Exchange believes the obligations imposed on Trading Permit Holders to be eligible to trade during GTH is an appropriate balance of obligations of additional requirements with the benefits of additional trading sessions.

The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, because the proposed rule change is a new competitive initiative that will benefit the marketplace and investors. The Exchange also believes the proposed rule change will enhance competition by providing new trading sessions to investors that other options exchanges currently are not providing. Additionally, all options exchanges are free to compete in the same manner. The Exchange does not believe that the level of competition among options exchanges will change during RTH because of the introduction of GTH trading for equity options. The Exchange also believes the proposed rule change could increase its competitive position outside of the United States by providing investors with an additional investment access with respect to their global trading strategies during times that correspond with regular trading hours outside of the United States.

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

The Exchange neither solicited nor received written comments on the proposed rule change.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

A. by order approve or disapprove such proposed rule change, or

B. institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–CBOE–2025–079 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–CBOE–2025–079. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–CBOE–2025–079 and should be submitted on or before October 24, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[23]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025–19445 Filed 10–2–25; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–104159; File No. SR–CBOE–2025–074]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing of a Proposed Rule Change To Amend Functionality Relating to the Processing of Auction Responses

September 30, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the ''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on September 30, 2025, Cboe Exchange, Inc. (the ''Exchange'' or ''Cboe Options'') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend its functionality relating to the processing of auction responses. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Commission's website (*https://www.sec.gov/rules/sro.shtml*), the Exchange's website (*https://www.cboe.com/us/options/*

[23] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

regulation/rule_filings/), and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange currently offers a variety of auction mechanisms which provide price improvement opportunities for eligible orders. Particularly, the Exchange offers the following auction mechanisms: Complex Order Auction (''COA''),[3] Step Up Mechanism (''SUM''),[4] Automated Improvement Mechanism (''AIM''),[5] Complex AIM (''C–AIM''),[6] Solicitation Auction Mechanism (''SAM''),[7] Complex SAM (''C–SAM''),[8] FLEX Auction process,[9] FLEX AIM,[10] and FLEX SAM.[11] The Exchange notes that eligible orders (''auctioned orders'') are electronically exposed for an Exchange-determined period (collectively referred to herein as ''auction response period'') in accordance with the applicable Exchange Rule, during which time Users may submit responses (collectively referred to herein as ''auction responses'' or ''auction response messages'') to an auction message.

In June 2023, in order to provide responses to these auctions with increased opportunities to participate in the auction, even during periods of high message traffic, and thus potentially provide customers with additional opportunities for price improvement, the Exchange adopted new functionality that applies across all of its auction mechanisms to increase the likelihood that timely submitted auction responses may participate in the applicable auction, even during periods of high message traffic.[12] Under this functionality, at the time an auction response period ends, the System continues to process its inbound queue for any messages that were received by the System before the end of the auction period (including auction responses) for up to an Exchange-determined period of time, not to exceed 100 milliseconds (which the Exchange may determine on a class-by-class basis which would apply to all auction mechanisms and which would be announced with reasonable advanced notice via Exchange Notice).[13] That is, any auction responses that were in the queue before the conclusion of the auction (as identified by the Network Interface Card (''NIC'') timestamp on the message) would be processed as long as the Exchange-determined time on a class-by-class basis (not to exceed 100 milliseconds) is not exceeded. Only auction responses received prior to the execution of the applicable auction are eligible to be processed for that auction. The applicable auction will execute once all messages, including auction responses, received before the end time of the auction response period have been processed or the Exchange-determined maximum time limit of up to 100 milliseconds has elapsed, whichever occurs first. This continuation of processing the queue for an additional amount of time for messages that were received before the end of the auction allows for auction responses that would otherwise have been canceled due to the conclusion of the auction response period to still have an opportunity to participate in the auction.

In May 2025, the Exchange increased the permissible maximum length of this Exchange-determined time period for SPX options.[14] Specifically, with respect to SPX options, this Exchange-determined period of time for this continuation of auction response processing plus the length of the auction response or exposure period, as applicable,[15] may not exceed 1000 milliseconds (which the Exchange announces with reasonable advance notice via Exchange Notice).[16] The Exchange increased the additional processing time so that more auction responses could be executed in auctions for SPX auctions, particularly in times of high message traffic. This increase in processing time is currently in place until December 31, 2025 and applies to non-FLEX SPX options only.

The proposed rule change proposes to make expand the recent proposed rule change to all non-FLEX classes,[17] including SPX options, on a permanent basis. Specifically, the Exchange proposes to amend Rule 5.25(c) to provide that the Exchange-determined period of time [18] during which the System will, at the conclusion of an auction response or exposure period, continue to process any messages in its inbound queue that were received by the System before the end of the auction response or exposure period (as identified by each message's timestamp), plus the length of the auction response or exposure period, as applicable, may not exceed 1000 milliseconds. The Exchange believes the proposed maximum amount of additional time for processing will result in more auction responses being executed in all classes, particularly in times of high message traffic.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the ''Act'') and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[19] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) [20] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged

[3] *See* Rule 5.33(d).

[4] *See* Rule 5.35.

[5] *See* Rule 5.37.

[6] *See* Rule 5.38.

[7] *See* Rule 5.39.

[8] *See* Rule 5.40.

[9] *See* Rule 5.72(c).

[10] *See* Rule 5.73.

[11] *See* Rule 5.74.

[12] *See* Rule 5.25(c); *see also* Securities Exchange Act Release No. 97738 (June 15, 2023), 88 FR 40878 (June 22, 2023) (SR–CBOE–2022–051). This functionality applies to COA, SUM, AIM, SAM, C–AIM, C–SAM, FLEX Auction Process, FLEX AIM, and FLEX SAM.

[13] The auction response processing time is currently set to 900 milliseconds for S&P 500 Index options (''SPX options'') and 100 milliseconds for all other classes. *See* Cboe Exchange Notices C2025042903, *available at https://www.cboe.com/notices/content/?id=54332;* and C2024111903, *available at https://www.cboe.com/notices/content/?id=51420.*

[14] *See* Securities Exchange Act Release No. 102966 (May 1, 2025), 90 FR 19330 (May 7, 2025) (SR–CBOE–2025–031); *see also* Cboe Exchange Notice C2025042903, *available at https://www.cboe.com/notices/content/?id=54332.*

[15] Current lengths of auction response and exposure periods are *available at cboe_options_product_configurations.xlsx.*

[16] The auction response processing time is currently set to 900 milliseconds (with auction timers set to 100 milliseconds) for S&P 500 Index options (''SPX options'')

[17] As proposed, the auction response processing time will no longer apply to any FLEX auctions.

[18] The Exchange may determine this time period on a class-by-class basis. *See* Rule 5.25(c).

[19] 15 U.S.C. 78f(b).

[20] 15 U.S.C. 78f(b)(5).

in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[21] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes the proposed rule change will remove impediments to a free and open market, as it will allow the Exchange's System to potentially process more, if not all, timely submitted auction responses, particularly in times of volatility and high message traffic. This may provide further opportunities for auctioned orders to receive price improvement, which ultimately benefits investors. In particular, the Exchange believes the proposed rule change will continue to appropriately balance providing investors with timely processing of their options quote and order messages and providing investors who submit orders that are auctioned with additional liquidity. Indeed, the proposed rule change may allow more investors additional opportunities to receive price improvement through an auction mechanism. Additionally, because the proposed functionality may provide liquidity providers that submit auction responses with additional execution opportunities in auctions, the Exchange believes they may be further encouraged to submit more auction responses, which may contribute to a deeper, more liquid auction process that provides investors with additional price improvement opportunities. The Exchange believes the proposal will continue to allow the Exchange to set each auction response period or exposure time to an amount of time that provides Trading Permit Holders submitting responses with sufficient time to respond to, compete for, and provide price improvement for orders, but also continues to provide auctioned orders with improved execution opportunities and minimal impact on market and execution risk.

The Exchange believes the proposed rule change will result in increased execution opportunities for liquidity providers that submit auction responses and enhance the potential for price improvement for orders submitted to each mechanism to the benefit of investors and public interest. The proposed rule change will permit the Exchange to set a longer time period in all classes in which the System may process auction responses the System receives before the end of an auction response or exposure period (as identified by each auction response message's NIC timestamp). The Exchange believes the proposed increase in maximum time will increase the possibility that timely submitted auction responses are processed by the Exchange and have an opportunity for execution in the applicable auction mechanism, even if there is a deep pending message queue. The Exchange believes the proposed maximum amount of additional time for processing will permit the Exchange to respond to times of high message traffic. The Exchange generally experiences significant increases in volumes and messages traffic when the market experiences volatility. As a result, the Exchange has observed deeper pending message queues, which results in an increased number of timely received auction responses not being processed as part of the execution at the conclusion of an auction. Based on these observations, the Exchange believes the proposed maximum time may increase the number of timely received auction responses that may execute against an auction order.[22]

The sunset period permitted the Exchange to evaluate whether a longer auction response processing time would continue to be appropriate in times of high volatility. For example, in 2025 prior to May 12 (the date on which the Exchange implemented the longer auction processing response time for SPX options), the percentage of auction responses in SPX that were received by the System before the end of the auction period (*i.e.,* had received a NIC timestamp) but were rejected because the Exchange could not process them before the end of the auction response or exposure period, as applicable, plus shorter buffer time, reached over 20% on several occasions and averaged approximately 7.64%. Between May 12 and September 5, this percentage was nearly 0. Despite the maximum auction response processing time being 900 milliseconds, the average length of that time period used since that time was only about 14 milliseconds. The data demonstrates the effectiveness of the longer auction response processing time for SPX options. The proposed rule change would permit the Exchange to retain this longer auction response period for SPX and thus retain these benefits, as well as extend these benefits to other classes traded on the Exchange. Given that times of high volatility are unpredictable, and impact all classes, having the longer response processing time available at all times will permit the Exchange to continue to achieve these results when volatile times do occur. Additionally, given the continued increase in options volumes across the industry (and thus all classes), the Exchange believes all classes could benefit from the additional processing times.

While the proposed increase is significant, the Exchange notes that the combined maximum length of the auction response or exposure period plus the auction response processing period is the same length as the maximum permissible auction response or exposure period for certain auctions.[23] Therefore, the Commission has already determined that letting a price improvement auction occur for up to 1000 milliseconds is consistent with the Act (which would permit the combined maximum auction response period plus maximum auction response processing time to be 1000 milliseconds for auctions). Given that the current length of the non-FLEX auctions is 100 milliseconds (except for SUM auctions, for which the exposure period is 50 milliseconds), and the auction response processing time is 100 milliseconds (except for SPX, for which it is 900 milliseconds pursuant to the current temporary rule), the proposed rule change would increase the total maximum processing time (auction response period plus response processing) for all non-FLEX classes other than SPX by 800 milliseconds (850 milliseconds for SUM auctions) and would keep the maximum

[21] *Id.*

[22] The Exchange has undertaken various steps to improve the performance (including to reduce latency) of the matching engine on which SPX trades. For example, the Exchange made hardware and software upgrades. *See https://www.cboe.com/notices/content/?id=53830.* Additionally, the Exchange adopted an excessive mass cancel and purge charge to encourage efficient use of network and system capacity and reduce the incentive for market participants to engage in excessive mass cancellation and purge activity, which may create latency and impact other market participants' ability to receive timely executions. *See* Securities Exchange Act Release No. 103040 (May 14, 2025), 90 FR 21525 (May 20, 2025) (SR–CBOE–2025–033). The Exchange regularly evaluates other potential means that may improve performance and reduce latency for all options.

[23] *See* Rule 5.35(b)(1), 5.39(c)(3), and 5.40(c)(3) (which permit the Exchange to set the length of the SUM, SAM, and C–SAM exposure and auction response periods, as applicable, up to one second. Rules 5.33(d)(3), 5.37(c)(3), and 5.38(c)(3) permit the Exchange to set the length of the COA, AIM, and C–AIM, respectively, auction response periods up to three seconds. Current lengths of auction response and exposure periods are available at *cboe_options_product_configurations.xlsx.*

processing time for non-FLEX SPX options the same. The proposed rule change provides the Exchange with flexibility to increase the number of auction responses that can participate in an auction without increasing the length of an auction (and may permit the Exchange to reduce the length of an auction). While the Exchange may increase the length of auction response periods to accommodate more auction responses, the Exchange believes shifting some of the already permissible auction response or exposure period time to the auction response processing time that may occur after the conclusion of the auction response or exposure period better addresses the issue of missed auction responses. Particularly, the Exchange believes the proposed rule change will accommodate more auction responses while also mitigating market risk that may accompany a longer auction period by setting the length of an auction response period to a timeframe that both allows an adequate amount of time for Trading Permit Holders to respond to an auction message and provides the auctioned order with fast executions.

Additionally, the Exchange understands some Trading Permit Holders choose to submit auction responses towards the end of an auction response period to better ensure the response is at a price that the market participant is willing to trade given the market at the time the auction response period concludes. This is particularly true during times of higher volatility, as have recently occurred, which times also result in higher message traffic and thus makes it more likely these auction responses will not participate in the auction. As such, extending the auction response period in each auction would not itself prevent auction responses from continuing to miss the auction notwithstanding being timely submitted. Therefore, the Exchange believes extending the auction response processing time is preferable to extending the auction response or exposure period, which the Exchange believes would not prevent auction responses from continuing to miss the auction notwithstanding being timely submitted.

The Exchange believes the proposed increase in maximum auction response processing time for all options will provide an adequate amount of time to provide pending auction responses with execution opportunities in times of high message traffic and will continue to have a de minimis impact on other message traffic. Even in times of high message traffic, auction responses continue to represent a small percentage of volume on the Exchange. Auction responses account for a small fraction of message traffic submitted to the Exchange. The Exchange believes the processing of such a small amount of message traffic, even after the conclusion of an auction response period, would therefore continue to have de minimis, if any, impact on the processing of non-auction response messages waiting in the queue, even if that processing occurs over a longer timeframe. The Exchange also notes that all messages are currently processed one at a time by the System. Therefore, the System still needs to ''process'' all pending auction responses, regardless of whether that processing involves canceling the pending auction response because it wasn't processed in time to participate in the auction or actually processing the response to participate in the auction. Either way, the non-auction response messages will still have to wait for processing of any pending responses ahead of it, regardless of the length of the auction response processing time. Further, updates to prices in the market will still be processed in the same order, and thus executions of the responses at the end of the buffer will not trade through the market at that time. The Exchange notes the proposed rule change makes no changes to how the auction response processing functionality will work (or how any auctions work). Additionally, all message traffic (including auction responses) will continue to be processed in time-priority. Therefore, the Exchange believes any impact of processing additional auction responses for inclusion in an auction rather than cancelling those responses will have minimal impact on message traffic behind them.

The Exchange continues to believe in the vast majority of cases, the additional time needed after the conclusion of an auction response period, if any, to process all pending auction responses will be shorter than the proposed maximum (and possibly zero). This is a further benefit of being able to increase the length of the auction response processing time rather than the length of an auction response period. Unlike an auction response period, which must run in its entirety, the auction response processing is adaptable. For example, if the System is ''caught up'' and processes all auction responses received prior to the completion of a 100 millisecond auction response period within 50 milliseconds after the end of the auction period, the total processing time would be 150 milliseconds. The System only uses the portion of the auction response processing time it needs to process responses timestamped prior to the end of the auction period. To the extent the Exchange determines a lesser amount of time would be sufficient, the Exchange could implement an additional amount of time for processing auction responses that is less than the combined time of 1000 milliseconds, which time would be announced with reasonable advance notice to market participants via Exchange Notice.[24] Additionally, in practice, the Exchange generally discusses with market participants potential changes to the length of auction response or exposure periods and to the auction response processing timer. Further, given the advanced notice that will be provided of any change, market participants may contact the Exchange to discuss any proposed changes.

The markets have experienced periods of high volatility in recent weeks, which generally results in increased market traffic. The Exchange has observed during these higher market traffic times an increase in the number of auction responses not being able to participate in auctions, notwithstanding being timely submitted within the auction response period, except recently in SPX given the longer auction processing time during the current sunset period. This higher traffic generally occurs across all classes. The Exchange believes permitting an increased auction response processing time in all classes would better provide market participants with additional opportunities for price improvements with very little, if any, impact to non-auction response message traffic, thereby removing impediments to a free and open market and ultimately protecting and benefiting investors. Additionally, because the proposed rule change may provide liquidity providers that submit auction responses with additional execution opportunities in auctions, the Exchange believes they may be further encouraged to submit more auction responses, which may contribute to a deeper, more liquid auction process that provides investors with additional price improvement opportunities.

Given the current maximum auction response processing time in classes and other SPX (and if the current higher time applicable to SPX were to sunset), investors may miss out on opportunities to receive price improvement through

[24] The Exchange generally gives notice one to two weeks in advance of implementation for changes such as this; however, shorter notice may be provided if the Exchange believes it is necessary to maintain fair and orderly markets.

the Exchange's auction mechanisms, even if such responses were timely submitted but not processed due to the System being otherwise occupied processing messages in queue ahead of it. The Exchange therefore believes its proposal will make it more likely that the System processes timely submitted auction responses and includes them in applicable auctions during periods of high message traffic, thus providing them with more opportunities to execute against auctioned orders.

Given the much longer length of FLEX auctions, which may last three seconds to five minutes (*see* Rules 5.72(c)(1)(F), 5.73(c)(3), and 5.74(c)(3)), the Exchange believes an increase in auction response processing is unnecessary, which is why the Exchange proposes to exclude FLEX SPX options from the proposal.

The Exchange does not believe the proposed functionality raises any novel legal or regulatory issues as the proposed maximum auction response processing time is significantly shorter than the longest maximum auction response or exposure period permissible in the Exchange's Rules.[25] As discussed above, the proposed rule change effectively only increases the permissible response time by no more than 850 milliseconds. The Exchange notes the proposed rule change makes no changes to how the auction response processing functionality will work (or how any auctions work). Additionally, all message traffic (including auction responses) will continue to be processed in time-priority, including market price updates, and thus the System is designed to prevent trade-throughs. The proposed rule change merely shifts some of the permissible auction response or exposure period time to the auction response processing time that may occur after the conclusion of the auction response or exposure period.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed changes will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, as the proposed rule change would apply equally to all Trading Permit Holders that submit auction responses. The proposed rule change would permit a longer auction processing time for all classes on the Exchange, and thus market participants in all classes would be able to benefit from this increased processing time, including reducing the likelihood that their auction responses are rejected. Additionally, as noted above, the Exchange believes the proposed increase in the maximum auction response processing time will have little to no impact on non-auction response message traffic and continues to be designed to prevent trade-throughs given all messages, including market price updates, will continue to be processed in time priority. The Exchange does not believe the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, as the proposed change affects how the System processes auction responses that may only participate in auctions that occur on the Exchange.

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

The Exchange neither solicited nor received comments on the proposed rule change.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

A. by order approve or disapprove such proposed rule change, or

B. institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–CBOE–2025–074 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–CBOE–2025–074. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to file number SR–CBOE–2025–074 and should be submitted on or before October 24, 2025.

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

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025–19446 Filed 10–2–25; 8:45 am]

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[25] *See* Rules 5.33(d)(3), 5.37(c)(3), and 5.38(c)(3) (which permits the Exchange to set the length of the COA, AIM, and C–AIM, respectively, auction response periods up to three seconds). Given that the auction response processing time plus the length of the auction response or exposure period may not exceed 1000 milliseconds, the maximum auction response processing time will be significantly less than the maximum auction response time currently permissible under the Exchange's Rules.

[26] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–104153; File No. SR–CboeEDGX–2025–072]

Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing of a Proposed Rule Change To Modify Rule 11.21 To Adopt a Retail Price Improvement Program and Modify Rule 11.6(e)(2) and Rule 11.10(a)(4)(C)–(D) in Order To Describe the Behavior of Orders Containing a Non-Displayed Instruction

September 30, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2]

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

notice is hereby given that on September 30, 2025, Cboe EDGX Exchange, Inc. (the ''Exchange'' or ''EDGX'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Cboe EDGX Exchange, Inc. (the ''Exchange'' or ''EDGX'') is filing with the Securities and Exchange Commission (''Commission'') a proposal to modify Rule 11.21 to adopt a Retail Price Improvement program. The Exchange also proposes to modify Rule 11.6(e)(2) and Rule 11.10(a)(4)(C)–(D) in order to describe the behavior of orders containing a Non-Displayed instruction. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Commission's website (*https://www.sec.gov/rules/sro.shtml*), the Exchange's website (*https://www.cboe.com/us/equities/regulation/rule_filings/bzx/*), and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rule 11.21 to adopt a Retail Price Improvement Program on the Exchange (the ''EDGX RPI Program'') for the benefit of retail investors. As described in greater detail below, the purpose of the EDGX RPI Program would be to attract retail order flow to the Exchange and allow such Retail Orders [3] to receive potential price improvement at least $0.001 better than the Protected NBB [4] (for buy orders) or Protected NBO [5] (for sell orders) in securities priced at or above $1.00.[6] Rule 11.21 is currently titled Retail Orders and allows a certain class of Members known as Retail Member Organizations (''RMOs'') to submit Retail Orders to the Exchange and designate that Retail Orders be identified as Retail on the EDGX Book Feed.[7] The Exchange also proposes to modify Rule 11.6(e)(2) and Rule 11.10(a)(4)(C)–(D) in order to describe the behavior of orders containing a Non-Displayed instruction.

The proposed EDGX RPI Program is structured similarly to the retail liquidity programs (''RLPs'') offered by the Exchange's affiliate, Cboe BYX Exchange, Inc. (''BYX''), as well as retail liquidity programs offered by competitor exchanges such as the New York Stock Exchange (''NYSE''), NYSE National, Inc. (''NYSE National''), Nasdaq BX, Inc. (''Nasdaq BX'') and Investors Exchange LLC (''IEX'').[8] The proposed EDGX RPI Program will be structured similarly to other retail liquidity programs offered by the Exchange's various affiliated equities exchanges and competitor exchanges. However, a substantive difference between the Exchange's program and programs offered by the Exchange's affiliate or competitor exchanges is that Retail Orders entered on the Exchange may be entered with a time-in-force other than Immediate-or-Cancel (''IOC'').[9] As Retail Orders may be entered with a time-in-force other than IOC, Retail Orders will be allowed to post to the EDGX Book [10] or route to away trading centers according to User instructions. In addition, the proposed Retail Priority Order will only be eligible to execute against incoming Retail Orders and will not be eligible to remove resting Retail Orders from the EDGX Book. Further, Users will have the ability to enter the proposed Retail Priority Order as a MidPoint Peg Order as described in Rule 11.8(d).

Background

The Commission has long recognized that U.S. capital markets should be structured with the interests of retail investors in mind.[11] In response, exchanges have created various offerings to provide retail investors with benefits not afforded to other market participants. As noted by the Commission, the great majority of marketable orders of retail investors continue to be sent to wholesalers,[12] even with the presence of RLPs offered by other national securities exchanges,[13] including the Exchange's affiliate,

[3] *See* Exchange Rule 11.21(a)(2). A ''Retail Order'' is an agency or riskless principal order that meets the criteria of FINRA Rule 5320.03 that originates from a natural person and is submitted to the Exchange by a Retail Member Organization, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology. The Exchange notes that it has filed a separate proposal to amend the definition of Retail Order that would permit an RMO to enter a Retail Order in a principal capacity, but the proposed changes in the Retail Order Definition Proposal do not affect the Exchange's proposed changes to Rule 11.21(a)(2) for the introduction of the RPI Program. *See* Securities Exchange Act Release No. 103182 (June 4, 2025), 90 FR 24476 (June 10, 2025), SR–CboeEDGX–2025–035 (''Retail Order Definition Proposal'').

[4] *See* Exchange Rule 1.5(u). The term ''Protected Bid'' shall mean a bid in a stock that is (i) displayed by an automated trading center; (ii) disseminated pursuant to an effective national market system plan; and (iii) an automated quotation that is the best bid of a national securities exchange or association.

[5] *See* Exchange Rule 1.5(u). The term ''Protected Offer'' shall mean an offer in a stock that is (i) displayed by an automated trading center; (ii) disseminated pursuant to an effective national market system plan; and (iii) an automated quotation that is the best offer of a national securities exchange or association.

[6] As discussed, *infra,* the proposed Program will not apply to securities priced below $1.00.

[7] *See* Exchange Rule 13.8 for a description of the available EDGX Book Feeds.

[8] See *infra* notes 32–35.

[9] *See* Exchange Rule 11.6(q)(1). Immediate-or-Cancel (''IOC'') is an instruction the User may attach to an order stating the order is to be executed in whole or in part as soon as such order is received. The portion not executed immediately on the Exchange or another trading center is treated as cancelled and is not posted to the EDGX Book. An order with an IOC instruction that does not include a Book Only instruction and that cannot be executed in accordance with Rule 11.10(a)(4) on the System when reaching the Exchange will be eligible for routing away pursuant to Rule 11.11.

[10] *See* Exchange Rule 1.5(d). The term ''EDGX Book'' shall mean the System's electronic file of orders.

[11] *See* U.S. Securities and Exchange Commission, Strategic Plan, Fiscal Years 2018–2022, available at *https://www.sec.gov/files/SEC_Strategic_Plan_FY18-FY22_FINAL_0.pdf*.

[12] *See* Securities Exchange Act Release No. 96495 (December 14, 2022), 88 FR 128 (January 3, 2023) (''Order Competition Rule'') at 144.

[13] *See, e.g.,* NYSE Retail Liquidity program, which promotes cost savings through price improvement for individual investors provided by retail liquidity providers that submit non-displayed interest priced better than the best protected best bid or protected best offer. *See* also NYSE National Retail Liquidity program, which seeks to attract retail order flow to the Exchange through the potential of price improvement at the midpoint or better. Available at *https://www.nyse.com/markets/liquidity-programs. See also* IEX Retail Program, which incentivizes midpoint liquidity for retail orders through the use of retail liquidity provider orders. Available at *https://www.iexexchange.io/products/retail-program. See also* Nasdaq BX Retail Price Improvement, which allows retail orders to interact with price-improving liquidity. Available at *https://www.nasdaqtrader.com/content/BXRPIfs.pdf*.

BYX.[14] Indeed, as noted in the Commission's 2022 rule proposal related to minimum pricing increments, RLPs have not yet attracted a significant volume of retail order flow.[15] In fact, since RLPs have been adopted, the percentage of on-exchange share volume has continued to decrease from approximately 71% to approximately 49% as of December 2024.[16]

The Exchange has established itself as a venue that seeks to provide a positive experience for orders submitted on behalf of retail investors. Currently, EDGX offers Retail Priority, which changes the order allocation priority model from price-time priority to a price-retail priority-time priority model.[17] Retail Priority was designed to improve execution quality and trading outcomes for Retail Orders and RMOs by reducing their time to execution. Under the Retail Priority program, a displayed limit order designated with Retail Priority will be given queue priority over same-priced orders submitted on EDGX.[18] In addition to its Retail Priority offering, the Exchange also provides pricing incentives including low cost remove by Retail Orders and premium rebates for retail order flow on the Exchange.[19] Further, the Exchange provides a Retail Membership Program, which offers up to 18 months of discounted market data fees and connectivity as well as premium rebates for RMOs.[20]

The Exchange believes that its current product offerings aimed at providing higher execution quality for retail investors can be further augmented. Accordingly, the Exchange now seeks to introduce an RPI Program on EDGX in order to provide an additional, lit market on which retail investors can submit order flow with the potential for price improvement. As proposed, the EDGX RPI Program will offer RMOs the ability to submit Retail Orders to the Exchange. Users[21] will be permitted to provide potential price improvement for Retail Orders in the form of non-displayed interest that is priced higher than the Protected NBB (for buy orders) or lower than the Protected NBO (for sell orders). While the proposed EDGX RPI Program will function similarly to the RPI Program on the Exchange's affiliate, BYX, and the retail liquidity programs of other exchanges, certain differences, including the ability for Retail Orders to post to the EDGX Book and route away from the Exchange as well as the inability of a resting RPI Order to remove a resting Retail Order, will make the EDGX RPI Program a unique offering for retail order flow.

Proposal

Proposed Rule 11.21 (Retail Price Improvement Program); Proposed Rule 11.21(a) (Definitions)

Rule 11.21 is currently titled ''Retail Orders'' and sets forth in the following subparagraphs: (a) the definitions of RMO and Retail Order, (b) the qualification and application process for becoming an RMO, (c) the failure of an RMO to abide by Retail Order requirements, (d) appeals of disapproval or disqualification, (e) order designation, and (f) attribution. The Exchange proposes to amend the title of Rule 11.21 from ''Retail Orders'' to ''Retail Price Improvement Program.'' Next, the Exchange proposes to amend Rule 11.21(a)(2) to add a sentence at the end of the current rule text that provides that a Retail Order shall operate in accordance with proposed Rule 11.21(f).

The Exchange next proposes to introduce proposed Rule 11.21(a)(3) to define a Retail Price Improvement Order, as described below.[22]

- A ''Retail Price Improvement Order'' or ''RPI Order'' consists of non-displayed interest on the Exchange that is eligible to interact with incoming Retail Orders and that is identified by the Retail Liquidity Identifier described in paragraph (e) below. To be executable, an RPI Order for a security priced at or above $1.00 must be priced at least $0.001 better than the Protected NBB or Protected NBO and may be priced in $0.001 increments (*e.g.,* $10.001). An RPI Order may not be entered in securities priced below $1.00. An RPI Order is ineligible to execute at prices equal to or inferior to the Protected NBB (for buy orders) or Protected NBO (for sell orders). An RPI Order that is ineligible to execute because it is priced equal to or inferior to the Protected NBB or Protected NBO will not be canceled and will become eligible to execute against incoming Retail Orders should the RPI Order become priced better than the Protected NBB (for buy orders) or Protected NBO (for sell orders) at a later time. An incoming RPI Order will not be eligible to interact with a resting Retail Order on the EDGX Book and upon entry will post to the EDGX Book to execute against later-arriving Retail Orders.
- An RPI Order may be entered as a limit order, in a sub-penny increment with an explicit limit price, as a MidPoint Peg Order (as defined in Rule 11.8(d)) (an ''RPI MidPoint Peg Order''), or as a Primary Peg Order (as defined in Rule 11.6(j)(2)). An RPI Order that is also a Primary Pegged Order (''RPI Primary Pegged Order'') must be entered with a positive (for buy orders) or negative (for sell orders) offset (''Offset Amount''). The ranked price of an RPI Primary Pegged Order is the price that results after application of the Offset Amount, as described in Rule 11.6(j)(2). An RPI Primary Pegged Order may have its Offset Amount entered in pricing increments of $0.001. An RPI MidPoint Peg Order and an RPI Primary Pegged Order will not execute during a locked market.
- The System[23] will monitor whether RPI Orders, adjusted by any Offset Amount and subject to the limit price, are eligible to interact with incoming Retail Orders. An RPI Order remains non-displayed in its entirety, including any applicable Offset Amount and the limit price. Any User is permitted, but not required, to submit an RPI Order. An RPI Order may be an odd lot, round lot, or mixed lot. An RPI Order may be entered as a Post Only or Book Only order and is not eligible for routing.

Proposed Rule 11.21(a)(3) is largely identical to the proposed definition of RPI Order in the Exchange's recent filing to introduce an Enhanced RPI Order to the BYX RPI Program.[24] Notably, proposed Rule 11.21(a)(3) differs from the proposed definition of RPI Order in the BYX Enhanced RPI Proposal as it permits an RPI Order to

[14] *See* Securities Exchange Act Release No. 87154 (September 30, 2019), 84 FR 53183 (October 4, 2019), SR–CboeBYX–2019–014 (''BYX RPI Approval Order'').

[15] *See* Securities Exchange Act Release No. 96494 (December 14, 2022), 87 FR 80266 (December 29, 2022) (''Tick Size Proposal'') at 80273.

[16] Source: Cboe internal data.

[17] *See* Exchange Rule 11.9(a)(2)(A) and Exchange Rule 11.9, Interpretations and Policies. *See also* ''Cboe Retail Priority'' available at: *https://www.cboe.com/us/equities/trading/offerings/retail_priority/*.

[18] *Id.*

[19] *See* EDGX Equities Fee Schedule, Fee Codes, available at: *https://www.cboe.com/us/equities/membership/fee_schedule/edgx/*.

[20] *See* Cboe Retail Membership Program, available at: *https://www.cboe.com/us/equities/trading/offerings/retail_membership_program/*.

[21] *See* Rule 1.5(ee). A ''User'' is defined as any member or sponsored participant of the Exchange who is authorized to obtain access to the System pursuant to Rule 11.3.

[22] The Exchange plans to submit a request for an exemption under Regulation NMS Rule 612 that would permit it to accept and rank non-displayed RPI interest.

[23] *See* Rule 1.5(cc). The term ''System'' shall mean the electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when applicable, routing away.

[24] *See* Securities Exchange Act Release No. 34–102681 (March 14, 2025), 90 FR 13240 (March 20, 2025), SR–CboeBYX–2025–007 (''BYX Enhanced RPI Proposal'').

be entered with a MidPoint Peg Order instruction, which is not contemplated on BYX. The MidPoint Peg Order instruction will be optional, and not required for Users of RPI Orders. The Exchange has included examples below to describe how RPI MidPoint Peg Orders will function.

Example 1

- Protected NBBO for security ABC is $10.00 × $10.05.
- User 1 enters displayed limit order to buy ABC at $10.00 for 100 shares.
- User 2 enters an RPI MidPoint Peg Order to buy ABC at $10.03 for 100 shares. User 2's RPI MidPoint Peg Order is posted to the EDGX Book and ranked at a price of $10.025, non-displayed.
- The RPI Indicator is displayed for User 2's RPI MidPoint Peg Order.
- User 3 enters a Retail Order to sell ABC at $10.00 for 100.
- *Result:* User 3's Retail Order executes against User 2's RPI MidPoint Peg Order at a price of $10.025. User 2's RPI MidPoint Peg Order has price priority over User 1's displayed limit order pursuant to Exchange Rule 11.9 because it is ranked at $10.025 while User 1's order has a ranked price of $10.00. User 3's Retail Order receives $0.025 of price improvement by executing with User 2's RPI MidPoint Peg Order.

Additionally, the Exchange's proposed definition of RPI Order provides that an RPI Order will not remove a resting Retail Order upon entry, but rather an RPI Order will be posted to the EDGX Book and may only execute against an incoming Retail Order. The Exchange notes that unlike Retail Orders in the current BYX RPI Program,[25] the Exchange is proposing to permit Retail Orders to be entered with a time-in-force other than Immediate-or-Cancel (''IOC''). As Retail Orders under the EDGX RPI Program would be permitted to have a time-in-force that permits them to post to the EDGX Book or route to away markets, the Exchange believes it would be most beneficial to all Users to not allow RPI Orders to remove liquidity upon arrival, but rather to post to the EDGX Book and deepen the Exchange's pool of available liquidity, which benefits all market participants and provides greater execution opportunities on the Exchange, particularly for Retail Orders. Finally, the Exchange's proposed definition of RPI Order is limited to use in securities priced at or above $1.00 (which is identical to the current BYX RPI Program),[26] while the proposed definition of RPI Order in the BYX Enhanced RPI Proposal would permit RPI Orders to be entered in all securities, regardless of price. The Exchange has included examples below to describe how RPI Orders will post to the EDGX Book and interact with Retail Orders.

Example 2

- Protected NBBO for security ABC is $10.00 × $10.05.
- User 1 enters displayed limit order to buy ABC at $10.00 for 100 shares.
- User 2 enters an RPI Order to buy ABC at $10.001 for 100 shares. User 2's RPI Order is posted to the EDGX Book and ranked at a price of $10.001, non-displayed.
- The RPI Indicator is displayed for User 2's RPI Order.
- User 3 enters a Retail Order to sell ABC at $10.00 for 100.
- *Result:* User 3's Retail Order executes against User 2's RPI Order at a price of $10.001. User 2's RPI Order has price priority over User 1's displayed limit order because User 2's RPI Order is ranked at $10.001 while User 1's order is ranked at $10.00. User 3 received $0.001 of price improvement by executing with User 2's RPI Order.

Example 3

- Protected NBBO for security ABC is $10.00 × $10.05.
- User 1 enters a Retail Order to sell ABC at $10.05 for 100.
- User 2 enters an RPI Order to buy ABC at $10.05 for 100. User 2's RPI Order is posted to the EDGX Book and ranked at a price of $10.045.[27]
- The RPI Indicator is displayed for User 2's RPI Order.
- User 3 enters a Retail Order to sell ABC at $10.00 for 100.
- *Result:* User 3's Retail Order executes against User 2's RPI Order at a price of $10.045. User 2's RPI Order is ineligible to execute against User 1's Retail Order because under proposed Rule 11.21(a)(3) an incoming RPI Order is not eligible to interact with a resting Retail Order on the EDGX Book and upon entry the incoming RPI Order will post to the EDGX Book to execute against later-arriving Retail Orders. As such, User 2's RPI Order posted to the EDGX Book at the locking price of $10.05 upon entry pursuant to proposed Rule 11.6(e)(2)(B)(i), discussed *infra.* Pursuant to proposed Rule 11.10(a)(4)(D), discussed *infra,* User 3's incoming Retail Order was priced more aggressively ($10.00) than the Locking Price ($10.05) of a Resting Order (User 2's RPI Order).[28] As such, the Exchange will execute User 2's RPI Order at one-half minimum price variation less than the Locking Price of $10.05, which results in an execution against User 3's later-arriving Retail Order at a price of $10.045. User 3 received $0.045 of price improvement by executing with User 2's RPI Order.

Proposed Rule 11.21(d) (Appeal of Disapproval or Disqualification)

The Exchange next proposes to make two amendments to Rule 11.21(d) (Appeal of Disapproval or Disqualification). First, the Exchange proposes to rename the Retail Attribution Panel described in Rule 11.21(d)(1) as the RPI Panel, to align with the name change of Rule 11.21 from Retail Orders to the Retail Price Improvement Program. The proposed change will ensure that the name of the review panel on the Exchange matches the name of the review panel on the Exchange's affiliate, BYX, thus causing less confusion for RMOs or RMO applicants seeking to avail themselves of the panel.[29] Next, the Exchange proposes to amend Rule 11.21(d)(2) to change to the Chief Information Officer referenced in the Rule to the Chief Operating Officer. The Exchange notes that it currently does not have a Chief Information Officer and the corresponding rule of the Exchange's affiliate, BYX, also references the Chief Operating Officer.[30] The Exchange believes this change is necessary in order to maintain continuity between the Exchange and its affiliate as well as reference the appropriate corporate officer responsible to selecting members of the RPI Panel.

Proposed Rule 11.21(e) (Retail Liquidity Identifier)

The Exchange proposes to amend Rule 11.21(e) (currently titled Order Designation) by changing the title to ''Retail Liquidity Identifier,'' deleting the rule text that describes how an RMO may designate an order as a Retail Order from current Rule 11.21(e), moving the rule text of current Rule 11.21(e) that describes the designation of a Retail Order when routed to an away Trading Center to proposed Rule 11.24(h)

[25] *See* BYX Exchange Rule 11.24(a)(2). A Retail Order must be entered with a time-in-force of IOC.

[26] *See* BYX Exchange Rule 11.24(h).

[27] *See* Exchange Rule 11.6(l)(3). Orders with a Non-Displayed instruction that are subject to the Display-Price Sliding or Price Adjust instruction are ranked at the Locking Price on entry. An RPI Order is a non-displayed order and therefore is subject to the re-pricing behavior described in Exchange Rule 11.6(l)(3).

[28] The terms ''Locking Price'' and ''Resting Order'' are discussed in the *Non-Displayed Order Behavior* section, discussed *infra.*

[29] *See* BYX Rule 11.24(d)(1).

[30] *See* BYX Rule 11.24(d)(2).

(Attribution), and introducing rule text that describes when the Retail Liquidity Identifier for RPI Orders will be displayed.[31] The proposed rule text is as follows:

• For securities priced at or above $1.00, an identifier shall be disseminated through proprietary data feeds or as appropriate through the Consolidated Quotation System, when an RPI Order with a ranked price at least $0.001 better than the Protected NBB or Protected NBO for a particular security, is available in the System (''Retail Liquidity Identifier''). The Retail Liquidity Identifier shall reflect the symbol for the particular security and the side (buy or sell) of the RPI Order, but shall not include the ranked price or size of the RPI Order. The Retail Liquidity Identifier will only be disseminated when an RPI Order is priced better than the Protected NBB or Protected NBO and will not disseminate if the price of the Protected NBB or Protected NBO moves such that the RPI Order is no longer priced higher than the Protected NBB or lower than the Protected NBO.

The Exchange notes that its proposed rule text for Rule 11.21(e) is nearly identical to the rule text in its BYX Enhanced RPI Proposal, except that the Exchange is not seeking to introduce an Enhanced RPI Order and will only seek to display the Retail Liquidity Identifier (''RLI'') when an RPI Order, rather than RPI Interest as described in the BYX Enhanced RPI Proposal, is priced better than the Protected NBB or Protected NBO in securities priced at or above $1.00 by at least $0.001. The proposed rule text describes that the RLI will be disseminated over the Exchange's proprietary data feeds and the Consolidated Quotation System when there is an RPI Order priced at least $0.001 above the Protected NBB or below the Protected NBO in securities priced at or above $1.00. The RLI will not be disseminated if an RPI Order is priced equal to, below (for buy orders), or above (for sell orders) the Protected NBB or Protected NBO, even if the ranked price of the RPI Order does not change. In the event that the Protected NBB or Protected NBO moves such that a resting RPI Order is again priced above the Protected NBB or below the Protected NBO, the RLI will then be disseminated.

The purpose of the Identifier is to provide relevant market information to RMOs that there is available RPI Interest available on the Exchange, thereby incentivizing RMOs to send Retail Orders to the Exchange. The Exchange believes that even in instances where the Identifier is not being disseminated due to RPI Interest not having a ranked price at least $0.001 above (for buy orders) or below (for sell orders) the Protected NBB or Protected NBO, RMOs continue to be incentivized to submit Retail Orders to the Exchange. While RMOs may not be aware of potential RPI Interest on the Exchange during periods when the Identifier is not being disseminated, the Exchange does not believe that RMOs are harmed by the Exchange accepting RPI Interest that is not executable at the time of receipt by the Exchange and therefore not disseminating an Identifier because there may be additional hidden liquidity on the EDGX Book with which a Retail Order submitted by an RMO may interact. First, not all RMOs rely on the Identifier when submitting Retail Orders to the Exchange. In addition, Retail Orders may continue to be submitted even when the Identifier is not being disseminated and will continue to be eligible to execute against contra-side hidden liquidity that may be priced equal to or above (for buy orders) or below (for sell order) the Protected NBB or Protected NBO.

Proposed Rule 11.21(f) (Retail Order Designation)

The Exchange proposes to amend Rule 11.21(f) (currently titled Attribution) by changing the title to ''Retail Order Designation,'' moving the text of current Rule 11.21(f) to proposed Rule 11.24(h) (Attribution), and introducing rule text that describes how RMOs may designate Retail Orders submitted to the Exchange to interact with contra-side interest. Proposed Rule 11.21(f) is based off BYX Rule 11.24(f) (Retail Order Designation) and will contain a nearly identical definition of a Type 1 Retail Order[32] while also introducing a new Type 2 Retail Order.

The Exchange proposes to introduce Rule 11.21(f)(1), which describes a Type 1 Retail Order. Type 1-designated Retail Orders must be designated as IOC and will interact with available contra-side RPI Orders and other price improving contra-side interest but will not interact with other available contra-side interest in the System that is not offering price improvement or route to other markets. The portion of a Type 1-designated Retail Order that does not execute against contra-side RPI Orders or other price improving liquidity will be immediately and automatically cancelled.

The Exchange also proposes to introduce Rule 11.21(f)(2), which describes a Type 2 Retail Order. Type 2-designated Retail Orders will be executed, posted to the EDGX Book, or cancelled according to the User's instructions. A Type 2-designated Retail Order will be ineligible to execute with a resting RPI Order that is not priced better than the Protected NBB or Protected NBO. A Type 2-designated Retail Order can either be submitted as an EDGX Only Order or as an order eligible for routing pursuant to Rule 11.11.

Proposed Rule 11.21(g) (Order Priority)

The Exchange proposes to introduce Rule 11.21(g) titled Order Priority which will describe how RPI Orders will be ranked and executed upon receipt by the Exchange. RPI Orders in the same security shall be ranked according to price then time of entry into the System, as provided for in Rule 11.9 and executions shall occur in price/time priority in accordance with Rule 11.9. Any remaining unexecuted RPI interest will remain available to interact with other incoming Retail Orders. Any remaining unexecuted portion of the Retail Order will cancel or execute in accordance with paragraph (f) above. RPI Orders are ineligible to execute at prices that are equal to or inferior to the Protected NBB or Protected NBO. An RPI Order that is priced equal to or inferior to the Protected NBB or Protected NBO will not be cancelled and will become eligible to execute against Retail Orders should the RPI Order become priced better to the Protected NBB or Protected NBO at a later time. The Exchange has provided the following examples to demonstrate how RPI Order priority will function.

Example 4

• Protected NBBO for security ABC is $10.00 × $10.05.

• User 1 enters an RPI Order to buy ABC at $10.015 for 500 shares.

• User 2 enters an RPI Order to buy ABC at $10.02 for 500 shares.

• User 3 enters an RPI Order to buy ABC at $10.035 for 500 shares.

• User 4 enters a Retail Order to sell ABC at $10.00 for 1,000 shares.

• *Result:* User 4's Retail Order to sell ABC for 1,000 executes first against User 3's bid for 500 shares at $10.035 because it is the best priced bid, then against User 2's bid for 500 shares at $10.02

[31] The Exchange plans on submitting a letter requesting assurance from staff of the Division of Trading and Markets that it will not recommend enforcement action to the Commission pursuant to Rule 602 of Regulation NMS (the ''Quote Rule'') with respect to: (1) the Exchange with respect to collecting, processing, and making available to vendors the best bid, best offer, and quotation sizes communicated by members of the Exchange, or (2) liquidity providers entering RPI interest under the EDGX RPI Program.

[32] *See* BYX Rule 11.24(f)(1).

because it is the next best priced bid. User 1 is not filled because the entire size of the Retail Order to sell 1,000 shares is depleted. The Retail Order executes against RPI Orders in price/time priority.

Example 5

- Protected NBBO for security ABC is $10.00 × $10.05.
- User 1 enters an RPI Order to buy ABC at $10.015 for 500 shares.
- User 2 enters an RPI Order to buy ABC at $10.02 for 100 shares.
- User 3 enters an RPI Order to buy ABC at $10.035 for 500 shares.
- User 4 enters a Retail Order to sell ABC at $10.00 for 1,000 shares.
- *Result:* User 4's Retail Order to sell ABC for 1,000 executes first against User 3's bid for 500 shares at $10.035 because it is the best priced bid, then against User 2's bid for 100 at $10.02 because it is the next best priced bid. User 1 then receives an execution for 400 of its bid for 500 at $10.015, at which point the entire size of the Retail Order to sell 1,000 is depleted.

Example 6

- Protected NBBO for security ABC is $10.00 × $10.05.
- User 1 enters an RPI Order to buy ABC at $10.015 for 500 shares.
- User 2 enters an RPI Order to buy ABC at $10.02 for 100 shares.
- User 3 enters a Non-Displayed Order to buy ABC at $10.03 for 500 shares.
- User 4 enters a Retail Order to sell ABC at $10.00 for 1,000 shares.
- *Result:* User 4's Retail Order to sell ABC for 1,000 executes first against User 3's bid for 500 shares at $10.03 because it is the best priced bid, then against User 2's bid for 100 at $10.02 because it is the next best priced bid. User 1 then receives an execution for 400 of its bid for 500 at $10.015, at which point the entire size of the Retail Order to sell 1,000 is depleted.

Proposed Rule 11.21(h) (Attribution)

The Exchange proposes to introduce Rule 11.21(h) titled Attribution, which will contain details about how RMOs may designate Retail Orders to be identified as such. The Exchange notes that the text from current Rule 11.21(f) (Attribution) will be relocated to proposed Rule 11.21(h) with minor changes in order to incorporate rule text from current Rule 11.21(e). Pursuant to proposed Rule 11.21(h), and as is currently described in Rule 11.21(f), an RMO may designate a Retail Order to be identified as a Retail Order on the EDGX Book Feed on an order-by-order basis. An RMO may also instruct the Exchange to identify all its Retail Orders as Retail Orders on a port-by-port basis where that port is also designated as a Retail Order Port. An RMO that instructs the Exchange to identify all its Retail Orders as Retail Orders on a Retail Order Port will be able to override such setting and designate any individual Retail Order from that port as Attributable or Non-Attributable, as set forth in Rule 11.6(a). The Exchange proposes to relocate the language from current Rule 11.21(e) (Order Designation) to proposed Rule 11.21(h) stating that a Retail Order will be identified as a Retail Order when routed to an away Trading Center unless otherwise instructed by an RMO as this language more appropriately describes order attribution rather than how an order will interact with contra-side interest as is proposed in proposed Rule 11.21(f). The Exchange proposes to keep the existing language from current attribution Rule 11.21(f) stating all Retail Priority Orders, as defined in Interpretations and Policies .01 to Rule 11.9, will be identified as such on the EDGX Book Feed in order to avoid investor confusion. The Exchange notes that it is proposing non-substantive changes to the existing rule text being relocated from current Rules 11.21(e) and 11.21(f) to proposed Rule 11.21(h) to clarify that the term ''Retail'' refers to a Retail Order.

Proposed Rule 11.21(i)

As discussed in proposed Rule 11.21(a)(3), the EDGX RPI Program will be limited to trades occurring at prices equal to or greater than $1.00 per share. The Exchange notes that it will periodically notify the membership regarding the securities included in the EDGX RPI Program through an information circular, which is the same practice utilized by its affiliate, BYX, in its current RPI Program.[33]

Comparison to Existing Retail Liquidity Programs

The Exchange notes that in addition to being substantially similar to the proposed RPI Program on its affiliate equity exchange, BYX, the proposed EDGX RPI Program is similar to other retail liquidity programs offered by the New York Stock Exchange LLC (''NYSE''),[34] NYSE National, Inc. (''NYSE National''),[35] Investors' Exchange LLC (''IEX''),[36] and Nasdaq BX, Inc. (''Nasdaq BX''),[37] with important distinctions highlighted below.

First, the Exchange notes that its proposal differs from all other retail liquidity programs as it is proposing to allow Retail Orders to be entered with any time-in-force and is not limiting Retail Orders to only be entered with a time-in-force of IOC. The Exchange believes allowing Retail Orders to be entered with any time-in-force instruction rather than limiting the time-in-force to IOC will provide for additional execution opportunities for Retail Orders and will create a deeper pool of liquidity on the Exchange, which provides for greater execution opportunities for all Users and provides for overall enhanced price discovery and price improvement opportunities on the Exchange. While a resting Retail Order will not be eligible to interact with a resting RPI Order that was not originally executable upon receipt of the Retail Order due to the RPI Order's requirement to execute only against incoming Retail Orders, the ability of the Retail Order to execute against other liquidity on the Exchange, including hidden liquidity that may offer price improvement, stands to provide additional execution opportunities to the Retail Order that it otherwise would not have received if required to be entered with a time-in-force of IOC.

Next, the Exchange notes that its proposed RPI Order may be entered in price increments of $0.001, which is identical to the corresponding RPI Orders on BYX, NYSE, and Nasdaq BX but differs from the price increments of RPI Orders on IEX and NYSE National, whose equivalent RPI Orders may only be entered in $0.005 increments. The Exchange believes that providing Users the ability to enter RPI Orders in $0.001 increments while simultaneously proposing to allow RPI Orders to be entered as MidPoint Peg Orders provides Users the appropriate balance in having the ability to control how much price improvement is offered to contra-side Retail Orders using $0.001 increments while also having more certainty and control over its order flow by choosing to utilize the MidPoint Peg Order type. If a User chooses to submit an RPI Order with a limit price in a $0.001 increment, the User risks being priced lower than other hidden liquidity on the EDGX Book and not earning an execution against an incoming Retail

[33] *See* BYX Rule 11.24(h). The Exchange notes that BYX has proposed to remove BYX Rule 11.24(h) as part of the BYX Enhanced RPI Proposal, but currently the Program is limited to securities priced at or above $1.00.

[34] *See* NYSE Rule 7.44 (Retail Liquidity Program).

[35] *See* NYSE National Rule 7.44 (Retail Liquidity Program).

[36] *See* IEX Rule 11.232 (Retail Price Improvement Program).

[37] *See* Nasdaq BX Equity 4, Rule 4780 (Retail Price Improvement Program).

Order. Additionally, the User's RPI Order entered in $0.001 increments may be subject to movement in the NBBO and become unexecutable if the order is no longer priced at least $0.001 better than the Protected NBB or Protected NBO. Alternatively, if a User enters an RPI MidPoint Peg Order, the User knows that any execution will occur at the NBBO midpoint and that its order will remain executable, as it will always be priced at least $0.001 better than the Protected NBB or Protected NBO as it is a pegged order with a limit price that updates as the NBBO updates.

The Exchange believes that the distinctions highlighted above will make the EDGX RPI Program an attractive alternative to other retail liquidity programs and provide RMOs with the ability to submit Retail Orders to the Exchange with a chance at receiving additional price improvement compared to what is already available on the Exchange.

Non-Displayed Order Behavior

The Exchange currently permits orders to be entered with a Non-Displayed instruction (a ''Non-Displayed Order'') pursuant to Rule 11.6(e)(2). The Exchange now proposes to amend Rule 11.6(e)(2) and Rule 11.10(a)(4)(C)–(D) in order to more accurately describe the price at which a Non-Displayed Order posts to the EDGX Book and at what price a Non-Displayed Order may execute in certain situations. The Exchange believes the below changes to Rule 11.6(a)(2) and Rule 11.10(a)(4)(C)–(D) are necessary in order to provide market participants with greater certainty and clarity regarding the entry and execution of orders with Non-Displayed instructions on the Exchange.

The Exchange proposes to introduce Rule 11.6(a)(2)(A), which provides that when a Non-Displayed Order is entered, the Non-Displayed Order will be executed against previously posted orders on the EDGX Book that are priced equal to or better than the price of the Non-Displayed Order, up to the full amount of such previously posted orders, unless such executions would trade through a Protected Quotation.[38] Any portion of a Non-Displayed Order that cannot be executed in this manner will be posted to the EDGX Book (unless the Non-Displayed Order has a time-in-force of IOC) and/or routed if it has been designated as a routable order.

The Exchange next proposes to introduce Rule 11.6(a)(2)(B), which describes the price at which a Non-Displayed Order is posted and ranked on the EDGX Book in the event that it is not executed pursuant to proposed Rule 11.6(a)(2)(A). Proposed Rule 11.6(a)(2)(B)(i) provides if the limit price of a Non-Displayed Order would lock either a Protected Quotation or the EDGX Book, the Non-Displayed Order will be posted on the EDGX Book at the locking price and will be executed as set forth in Rule 11.10(a)(4)(C). If, however, an inbound Non-Displayed Order cannot execute due to User instruction and does not contain a price slide instruction, the Non-Displayed Order will be cancelled. An inbound Non-Displayed Order that cannot execute upon entry and contains a price slide instruction will be ranked at the locking price upon entry. Proposed Rule 11.6(a)(2)(B)(ii) provides if the limit price of the Non-Displayed Order would cross a Protected Quotation and the Non-Displayed Order contains a price slide instruction, the Non-Displayed Order will be executed as set forth in Rule 11.6(l)(1)(B) or cancel, based on User instruction. If the entered limit price of the Non-Displayed Order would cross a Protected Quotation and the Non-Displayed Order does not contain a price slide instruction, the Non-Displayed Order will cancel or route, based on User instruction. Proposed Rule 11.6(a)(2)(B)(iii) provides in situations where there is a resting Non-Displayed Order on the buy (sell) side of the market and an incoming Non-Displayed Order on the sell (buy) side of the market is unable to execute due to User instruction and posts to the EDGX Book at a price that locks the resting Non-Displayed Order, an incoming Non-Displayed Order on the buy (sell) side of the market may execute with the resting Non-Displayed Order on the sell (buy) side of the market at the locking price ahead of the Non-Displayed Order on the buy (sell) side of the market.

In conjunction with the proposed changes to Rule 11.6(a)(2), the Exchange also proposes to amend Rule 11.10(a)(4)(C)–(D) to better describe the execution of Non-Displayed Orders in situations where a locked market exists on the EDGX Book. Rule 11.10(a)(4)(C) currently states that certain orders are permitted to post and rest on the EDGX Book at prices that lock contra-side liquidity, provided, however, that the System will never display a locked market. The Exchange proposes to add language to Rule 11.10(a)(4)(C) to provide that consistent with Rule 11.9, which sets forth the Exchange's rule regarding priority of orders, Non-Displayed Orders and orders subject to display-price sliding as set forth in Rule 11.6(k)(1) (defined as the ''Resting Orders'') cannot be executed pursuant to Rule 11.10 when such Resting Orders would be executed at prices equal to displayed orders on the opposite side of the market (the ''Locking Price'').[39] The Exchange also proposes to amend Rule 11.10(a)(4)(D) to conform with the proposed changes in Rule 11.10(a)(4)(C) with regard to the use of the terms Resting Order and Locking Price. Proposed Rule 11.10(a)(4)(D) will be revised from its current text to provide that in the event that an incoming order described in sub-paragraphs (A) and (B) is a Market Order or is a Limit Order priced more aggressively than the Locking Price of a Resting Order as described in sub-paragraph (C), the Exchange will execute the Resting Order at, in the case of a Resting Order bid, one-half minimum price variation less than the Locking Price, and, in the case of a Resting Order offer, one-half minimum price variation more than the Locking Price.

Implementation

The Exchange proposes to implement the RPI Program on EDGX during the first half of 2026 and will announce the date via Trade Desk Notice.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the ''Act'') and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[40] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[41] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the

[38] *See* Rule 1.5(u). The term ''Protected Quotation'' shall mean a quotation that is a Protected Bid or Protected Offer.

[39] Any incoming order that would execute against the Resting Order at the Locking Price would receive a priority advantage over the displayed order at the Locking Price. As such, the Exchange does not execute a Resting Order against an incoming order at the Locking Price if there is also a displayed order resting on the EDGX Book at the Locking Price.

[40] 15 U.S.C. 78f(b).

[41] 15 U.S.C. 78f(b)(5).

proposed rule change is consistent with the Section 6(b)(5)[42] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Commission has repeatedly emphasized that the U.S. capital markets should be structured with the interests of retail investors in mind[43] and has recently proposed a series of rules designed, in part, to attempt to bring order flow back to the exchanges from off-exchange trading venues.[44] The Exchange believes its proposal to introduce an RPI Program on EDGX is consistent with the Commission's goal of ensuring that the equities markets continue to serve the needs of the investing public. Specifically, introducing the Program on EDGX would protect investors and the public interest by providing retail investors the ability to obtain price improvement on EDGX, a national securities exchange. The Exchange is committed to innovation that improves the quality of the equities markets and believes that the proposed EDGX RPI Program may increase the attractiveness of the Exchange for the execution of Retail Orders submitted on behalf of the millions of ordinary investors that rely on these markets for their investment needs.

The Exchange believes the proposed EDGX RPI Program promotes just and equitable principles of trade and is not unfairly discriminatory. While the proposed EDGX RPI Program would differentiate among its Members, the Exchange does not believe that such segmentation is inconsistent with section 6(b)(5) of the Act, as it does not permit *unfair* discrimination. The Commission has previously stated that the markets generally distinguish between retail investors, whose orders are considered desirable by liquidity providers because such retail investors are presumed to be less informed about short-term price movements, and professional traders, whose orders are presumed to be more informed.[45] The Commission has further stated that without opportunities for price improvement, retail investors may encounter wider spreads that are a consequence of liquidity providers interacting with more informed order flow.[46] The Exchange believes that its proposed EDGX RPI Program is reasonably designed to attract marketable retail order flow to the exchange as it will help to ensure that retail investors benefit from the better price that liquidity providers are willing to provide to retail orders in exchange for minimizing their adverse selection costs.

The Exchange believes that the proposed RPI Order behavior that does not permit an RPI Order to execute immediately against resting Retail Orders upon entry is not unfairly discriminatory because the proposed RPI Order is an optional order type that any liquidity provider may utilize as part of its investment strategy. As an example, a liquidity provider may choose to submit a limit order with a time-in-force of Day, and that order may execute immediately upon entry with hidden liquidity on the EDGX Book. Conversely, another liquidity provider may choose to submit an RPI Order knowing that the order will not execute immediately upon entry, but rather will be posted to the EDGX Book, foregoing potentially receiving an immediate executions in exchange for the strong likelihood of executing against an incoming, contra-side Retail Order, which is generally a more desirable outcome for more sophisticated market participants.[47] The Exchange is not proposing to amend the functionality of any existing order types on the Exchange, but rather seeks to provide an additional order type that provides liquidity providers with greater control over its contra-side execution. The proposed RPI Order is completely optional, can be utilized by any liquidity provider, and will be an additional order type from which liquidity providers may choose when determining how best to submit order flow to the Exchange. While the proposed RPI Order is limited to executing only with incoming contra-side Retail Orders and not resting Retail Orders on the EDGX Book, the Exchange believes that liquidity providers are in the best position to determine whether the proposed RPI Order is appropriate for the liquidity provider's current investment strategy. If a liquidity provider wishes to prioritize speed of execution or wishes to have the ability to execute immediately upon entry without regard to the contra-side order type, it is free to utilize another order type on the Exchange.

The Exchange further believes the proposed change would promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and protect investors and the public interest because proposed Rule 11.21 is based on BYX Exchange Rule 11.24, providing for the BYX RPI Program, and is also similar to rules providing for the NYSE, NYSE National, IEX, and Nasdaq BX retail liquidity programs. The Exchange believes that its proposal to permit an RPI Order to be entered in pricing increments of $0.001 or as an RPI MidPoint Peg Order provides Users the appropriate balance in having the ability to control how much price improvement is offered to contra-side Retail Orders while also having more certainty and control over its order flow. For example, if a User chooses to submit an RPI Order with a limit price in a $0.001 increment, the User risks being priced lower than other hidden liquidity on the EDGX Book and not earning an execution against a Retail Order. Additionally, the User's RPI Order may be subject to movement in the NBBO and become unexecutable if the order is no longer priced at least $0.001 better than the Protected NBB or Protected NBO. Alternatively, a User who elects to enter an RPI MidPoint Peg Order knows that any execution will occur at the NBBO midpoint and that its order will remain executable, as it will always be priced at least $0.001 better than the Protected NBB or Protected NBO as it is a pegged order with a limit price that updates as the NBBO updates.

Proposed Rule 11.21 sets forth definitions, order types, processes for RMO application, qualification, disapproval and disqualification for the Program, and the operation, priority, and attribution of orders in the Program that are based on rules previously approved by the Commission for retail price improvement programs currently offered by equity exchanges. Accordingly, the Exchange also believes the proposed change would promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and protect investors and the public interest by promoting consistency among

[42] *Id.*

[43] *Supra* note 11.

[44] *Supra* notes 12 and 15. *See also,* Securities Exchange Act Release No. 96496 (December 14, 2022), 88 FR 5440 (January 27, 2023) (''Regulation Best Execution''); Securities Exchange Act Release No. 96493 (December 14, 2022), 88 FR 3786 (January 20, 2023) (''Disclosure of Order Execution Information'').

[45] *Id.*

[46] *Id.*

[47] Marketable retail order flow is generally seen as more desirable by institutional liquidity providers as executions against retail orders are less prone to adverse selection. Adverse selection is the phenomenon where the price of a stock drops right after a liquidity provider purchases the stock. The Commission has previously opined that retail liquidity programs may be beneficial to institutional investors as they may be able to reduce their possible adverse selection costs by interacting with retail order flow. *See* Securities Exchange Act Release No. 68303 (November 27, 2012), 77 FR 71652 (December 3, 2012), SR–BYX–2012–019 (''BYX RPI Pilot Approval Order'') at 71656.

exchange rules setting forth retail price improvement programs, which could encourage retail investors to direct order flow to the proposed Program to seek out price improvement opportunities.

The Exchange believes that the introduction of the EDGX RPI Program promotes just and equitable principles of trade and is consistent with Section 6(b)(5) of the Act as it encourages Users to submit RPI Orders with limit prices that are priced at least $0.001 better than the Protected NBB or Protected NBO in exchange for the ability to guarantee the opportunity to execute against a contra-side Retail Order. As previously stated, all Users are eligible to submit RPI Orders. While the Exchange believes that most RPI Orders will be submitted by or on behalf of professional traders, retail investors will have the opportunity to receive better-priced executions should their executing broker choose to submit a marketable Retail Order to the Exchange. The Exchange believes the introduction of the EDGX RPI Program will deepen the Exchange's pool of available liquidity, increase marketable retail order flow to the Exchange and provide additional competition for marketable retail order flow, most of which is currently executed off-exchange in the OTC markets. Promoting competition for retail order flow among execution venues stands to benefit retail investors, who may be eligible to receive greater price improvement on the Exchange by interacting with an RPI Order than they would if their order was internalized by a broker-dealer on the OTC market.

The Exchange believes that its proposal to permit Retail Orders to be entered with any time-in-force and not be limited to a time-in-force of IOC as is the case with existing retail liquidity programs promotes just and equitable principles of trade and is consistent with Section 6(b)(5) of the Act because it provides an RMO submitting orders on behalf of retail customers additional control over how its Retail Orders will interact with liquidity resting on the EDGX Book. For instance, an RMO may choose to submit a Retail Order with a time-in-force of IOC, which would behave identical to a Retail Order submitted to the Exchange's affiliate RPI Program on BYX, and would immediately cancel if it does not receive an execution against an RPI Order or other price improving liquidity on the EDGX Book.[48] However, an RMO may also choose to utilize a time-in-force that permits the Retail Order to post to the EDGX Book or route to an away market center if it is not immediately executed.[49] By permitting a Retail Order to post to the EDGX Book, the Retail Order will be eligible not only to execute against a resting RPI Order immediately upon entry, but may also be designated as a Retail Priority Order[50] if the order does not execute against a resting RPI Order and instead posts to the EDGX Book. If an RMO chooses to designate its Retail Order as a Retail Priority Order, the displayed portion of the Retail Priority Order is given allocation priority ahead of all other available interest on the EDGX Book.

The Exchange views the ability to enter Retail Orders with any time-in-force an important feature that benefits retail investors by increasing both the likelihood and speed with which their non-marketable Retail Orders are executed. If speed is a priority, then an RMO is free to select a time-in-force of IOC and will only receive an execution if there is a resting RPI Order priced at least $0.001 better than the NBBO or a hidden order providing price improvement. If, however, speed is not a concern and an RMO would like to increase its odds that its Retail Order will be filled on the Exchange after posting to the EDGX Book, the RMO may elect to submit its order as a Retail Priority Order. RMOs are also free to simply choose to designate a Retail Order with a time-in-force other than IOC and not as a Retail Priority Order, which would permit the Retail Order to post to the EDGX Book or route to an away market and receive an execution under standard price/display/time priority. The Exchange has already proven that it can attract Retail Orders through its retail priority offering[51] and now believes that it can provide price improvement to those Retail Orders through the introduction of the RPI Program on the Exchange and building a greater depth of book against which Retail Orders may be eligible to execute.

The Exchange believes its proposal to introduce additional rule text describing the entry and execution of Non-Displayed Orders on the Exchange promotes just and equitable principles of trade by providing additional clarity and transparency to market participants on how the System processes Non-Displayed Orders. Specifically, the Exchange is providing additional information regarding the price at which a Non-Displayed Order is posted and ranked on the EDGX Book when a Non-Displayed Order either locks or crosses a Protected Quotation or when a Non-Displayed Order locks the EDGX Book. By introducing the proposed rule text, Users will have a better understanding of how a Non-Displayed Order is posted and ranked during certain scenarios involving locked and crossed markets, which benefits all Users and the marketplace as a whole. In addition, the Exchange believes its proposal to introduce additional rule text describing the entry and execution of Non-Displayed Orders on the Exchange is not unfairly discriminatory as all Users and market participants will be subject to the same application of the Exchange's rules and will have equal access to the Exchange rulebook.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposal does not impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. Rather, the proposed rule change is designed to increase intramarket competition for retail order flow by introducing a retail liquidity program on a regulated market. The proposed change could encourage additional competition by promoting additional trading opportunities for retail investors at both the NBBO midpoint as well as at sub-penny increments priced better than the Protected NBB or Protected NBO. The proposed change regarding Non-Displayed Order entry and execution is not being made for competitive reasons, but rather to provide Users with additional clarity and transparency about what price a Non-Displayed Order is posted and ranked during certain scenarios involving locked and crossed markets.

The Exchange also believes the proposed rule change does not impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the Act. As discussed above, IEX, NYSE, NYSE National, and Nasdaq BX each operate RLPs and the Exchange believes that its proposed rule change will allow it to compete for

[48] *See* proposed Rule 11.21(f)(1).

[49] *See* proposed Rule 11.21(f)(2).

[50] *See* Rule 11.9, Interpretations and Policies .01. A Retail Priority Order is a Retail Order that is entered on behalf of a person that does not place more than 390 equity orders per day on average during a calendar month for its own beneficial account(s).

[51] A review of internal Exchange data found that approximately 44% of all Retail Orders submitted to EDGX between January 2025–July 2025 were designated as Retail Priority Orders. Retail Orders (including Retail Priority Orders) accounted for approximately 18.6% of all orders executed on EDGX during the period January 2025–July 2025.

additional retail order flow with the aforementioned exchanges.[52] Furthermore, the Exchange's proposal will promote competition between the Exchange and off-exchange trading venues where the majority of retail order flow trades today.

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

The Exchange neither solicited nor received comments on the proposed rule change.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

A. by order approve or disapprove such proposed rule change, or

B. institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–CboeEDGX–2025–072 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–CboeEDGX–2025–072. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–CboeEDGX–2025–072 and should be submitted on or before October 24, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[53]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025–19381 Filed 10–2–25; 8:45 am]

BILLING CODE 8011–01–P

[52] *Supra* notes 34–37.

[53] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–104161; File No. SR–CboeBZX–2025–141]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing of a Proposed Rule Change To List and Trade Shares of the GraniteShares 4x Long Russell 1000 Daily ETF and the GraniteShares 4x Short Russell 1000 Daily ETF, Each a Series of GraniteShares ETP Trust (the ''Trust''), Under Rule 14.11(f)(4) (''Trust Issued Receipts'')

September 30, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the ''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on September 30, 2025, Cboe BZX Exchange, Inc. (the ''Exchange'' or ''BZX'') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Cboe BZX Exchange, Inc. (''BZX'' or the ''Exchange'') is filing with the Securities and Exchange Commission (''Commission'' or ''SEC'') a proposed rule change to list and trade shares of the GraniteShares 4x Long Russell 1000 Daily ETF (''4x Long Fund'') and the GraniteShares 4x Short Russell 1000 Daily ETF (''4x Short Fund'' together with the 4x Long Fund, the ''Funds''), each a series of GraniteShares ETP Trust (the ''Trust''), under Rule 14.11(f)(4) (''Trust Issued Receipts''). The shares of the Funds are referred to herein as ''Shares.''

The text of the proposed rule change is also available on the Commission's website (*https://www.sec.gov/rules/sro.shtml*), the Exchange's website (*https://www.cboe.com/us/equities/regulation/rule_filings/bzx/*), and at the principal office of the Exchange.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to list and trade Shares of the Funds under Rule 14.11(f)(4), which governs the listing and trading of Trust Issued Receipts [3] on the Exchange. The Funds seek to provide daily investment results (before fees and expenses), as further described below, that correspond to the performance of a benchmark that seeks to offer either short or long exposure to the benchmark for the Funds, which is the Russell 1000 Index (the ''Index''). The Index measures the current performance of the large-cap segment of the U.S. equities universe. The 4x Long Fund is based on the daily performance of the Index and the 4x Short Fund is based on the daily inverse (*i.e.,* the opposite) performance of the Index.

The Funds have the ability to engage in Over-the-Counter (''OTC'') swaps referencing the Index (hereinafter referred to as ''Russell Swap

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] Rule 14.11(f)(4) applies to Trust Issued Receipts that invest in ''Financial Instruments.'' The term ''Financial Instruments,'' as defined in Rule 14.11(f)(4)(A)(iv), means any combination of investments, including cash; securities; options on securities and indices; futures contracts; options on futures contracts; forward contracts; equity caps, collars and floors; and swap agreements.

Agreements''), forward contracts, options contracts, futures contracts (hereinafter referred to as ''Russell Futures Contracts'') and other Financial Instruments [4] based on the Index. The amount of exposure each Fund has to a specific combination of Financial Instruments differs with each particular Fund and should be expected to change from time to time at the discretion of the sponsor of the Trust, GraniteShares Advisors LLC (the ''Sponsor''), based on market conditions and other factors.

The Funds are commodity pools and GraniteShares Advisors LLC, a Delaware limited liability company, serves as the sponsor of the Trust (the ''Sponsor''). The Sponsor is a commodity pool operator.[5] Other service providers will include an administrator (the ''Administrator''), a custodian and transfer agent. Wilmington Trust, National Association is the sole trustee of the Trust. The Funds will not be registered as investment companies under the Investment Company Act of 1940, as amended, and are not required to register under such Act.

If the Sponsor to the Trust issuing the Trust Issued Receipts is affiliated with a broker-dealer, such Sponsor to the Trust shall erect and maintain a ''fire wall'' between the Sponsor and the broker-dealer with respect to access to information concerning the composition and/or changes to the Fund's portfolio. The Sponsor is not a broker-dealer or affiliated with a broker-dealer. In the event that (a) the Sponsor becomes a broker-dealer or newly affiliated with a broker-dealer, or (b) any new sponsor is a broker-dealer or becomes affiliated with a broker-dealer, it will implement and maintain a fire wall with respect to its relevant personnel or such broker-dealer affiliate, as applicable, regarding access to information concerning the composition and/or changes to the portfolio, and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding the portfolio.

The Funds will only enter into Russell Swap Agreements with major global financial institutions, the selection of which will be subject to the Sponsor's due diligence and risk management measures in place. The Funds will seek, where possible, to use counterparties, as applicable, whose financial status is such that the risk of default is reduced; however, the risk of losses resulting from default is still possible. Specifically, the Sponsor will consider the counterparty's credit quality and financial strength, ability to provide the required exposure to the Index, and operational capabilities for derivatives transactions.

In addition to Russell Swap Agreements, the Funds may also obtain exposure to the Index through listed options contracts traded on Cboe Exchange, Inc. (''Cboe'') (hereinafter referred to as ''Russell Options Contracts'').

The Funds may also invest in money market instruments (*i.e.,* ''Cash and Cash Equivalents'') [6] not only as part of their core investment strategy but also to meet collateral and margin requirements for their Russell Futures Contract positions, Russell Swap Agreements and Russell Option Contracts (collectively referred to as the ''Russell Derivative Products'') ensuring operational flexibility and regulatory compliance in their derivatives-based approach to achieving leveraged exposure to the Index.

If the 4x Long Fund is successful in meeting its objective, its value (before fees and expenses) on a given day should gain approximately four times as much on a percentage basis as the level of the Index when it rises. Conversely, its value (before fees and expenses) should lose approximately four times as much on a percentage basis as the level of the Index when it declines. The 4x Long Fund primarily acquires long exposure to the Index through Financial Instruments, including swap agreements, futures contracts, forward contracts, and options contracts that reference the Index, such that the 4x Long Fund has exposure intended to approximate four times the daily performance of the Index at the time of the net asset value (''NAV'') calculation of the 4x Long Fund. In the event that the 4x Long Fund is unable to meet its investment objective solely through one type of Financial Instrument, it may invest in other Financial Instruments referencing the Index, including both cleared and non-cleared swap agreements with major global financial institutions. The 4x Long Fund may also invest in money market instruments that may serve as collateral to the 4x Long Fund's investments in Financial Instruments.

If the 4x Short Fund is successful in meeting its objective, its value (before fees and expenses) on a given day should gain approximately four times as much on a percentage basis as the level of the Index when it declines. Conversely, its value (before fees and expenses) should lose approximately four times as much on a percentage basis as the level of the Index when it rises. The 4x Short Fund primarily acquires short exposure to the Index through Financial Instruments, including swap agreements, futures contracts, forward contracts, and options contracts that reference the Index, such that the 4x Short Fund has exposure intended to approximate negative four times the daily performance of the Index at the time of the NAV calculation of the 4x Short Fund. In the event that the 4x Short Fund is unable to meet its investment objective solely through one type of Financial Instrument, it may invest in other Financial Instruments referencing the Index, including both cleared and non-cleared swap agreements with major global financial institutions. The 4x Short Fund may also invest in Cash and Cash Equivalents that may serve as collateral to the 4x Short Fund's investments in Financial Instruments.

The Funds are not actively managed by traditional methods, which typically involve effecting changes in the composition of a portfolio on the basis of judgments relating to economic, financial and market considerations with a view toward obtaining positive results under all market conditions. Rather, the Funds seek to remain fully invested at all times in Russell Derivative Products (and Cash and Cash Equivalents as collateral) that provide exposure to the Index consistent with its investment objective without regard to market conditions, trends or direction.

In seeking to achieve the Funds' investment objectives, the Sponsor uses a mathematical approach to investing. Using this approach, the Sponsor determines the type, quantity and mix of investment positions that the Sponsor believes in combination should produce daily returns consistent with the Funds' objectives. The Sponsor relies upon a pre-determined model to generate orders that results in repositioning the Funds' investments in accordance with their investment objectives.

Daily Target

The Funds are daily target funds designed for tactical, short-term use rather than long-term buy-and-hold strategies due to the compounding effects inherent in daily rebalancing. The Funds are ''leveraged'', which

[4] *Id.*

[5] The Funds have filed a draft registration statement on Form S–1 under the Securities Act of 1933, dated August 8, 2025 (''Draft Registration Statement''). The description of the Funds and the Shares contained herein are based on the Draft Registration Statement. The Funds will not trade on the Exchange until such time as there is an effective registration statement for the Funds.

[6] For purposes of this proposal, the term ''Cash and Cash Equivalents'' shall have the definition provided in Exchange Rule 14.11(i)(4)(C)(iii), applicable to Managed Fund Shares.

means that each Fund has an investment objective to seek daily investment results, before fees and expenses, that correspond either to a multiple (4x) or an inverse multiple (−4x) of the daily performance of the Index on a given day (the ''Daily Target''). The Funds do not seek to achieve their Daily Target for any period other than a single day. For these purposes, a ''day'' is measured from the time a Fund calculates its NAV to the time of the Fund's next NAV calculation. The 4x Long Fund Daily Target seeks investment results that correspond to four times the daily performance of the Index. The 4x Short Fund Daily Target seeks investment results that correspond to negative four times the daily performance of the Index. The Sponsor uses a mathematical approach to determine the appropriate mix of Financial Instruments needed each day to maintain the target exposure. Because the target is daily, the Funds' performance over periods longer than one day will differ from 4x or −4x the Index's performance over those same periods due to the effects of compounding.

Purchases and Redemptions of Creation Units

The Funds will create and redeem Shares from time to time only in large blocks of a specified number of Shares or multiples thereof (''Creation Units''). A Creation Unit is a block of at least 10,000 Shares. Except when aggregated in Creation Units, the Shares are not redeemable securities.

On any Business Day,[7] an authorized participant may place an order with the Administrator to create one or more Creation Units.[8] The total cash payment required to create each Creation Unit is the NAV of at least 10,000 Shares of each Fund on the purchase order date plus the applicable transaction fee.

The procedures by which an authorized participant can redeem one or more Creation Units mirror the procedures for the purchase of Creation Units. On any Business Day, an authorized participant may place an order with the Administrator to redeem one or more Creation Units. The redemption proceeds from the Funds consist of the cash redemption amount. The cash redemption amount is equal to the NAV of the number of Creation Unit(s) of each Fund requested in the authorized participant's redemption order as of the time of the calculation of a Fund's NAV on the redemption order date, less transaction fees.

Availability of Information Regarding the Shares

The NAV for each Fund's Shares will be calculated by the Administrator on each Business Day and will be disseminated daily to all market participants at the same time.[9] Pricing information for the Shares will be available on the Funds' website at *www.GraniteShares.com,* including: (1) the prior Business Day's reported NAV, the closing market price or the bid/ask price, daily trading volume, and a calculation of the premium and discount of the closing market price or bid/ask price against the NAV; and (2) data in chart format displaying the frequency distribution of discounts and premiums of the daily closing price against the NAV, within appropriate ranges, for each of the four previous calendar quarters.

The closing prices and settlement prices of the Russell Futures Contracts will also be readily available from the websites of CFE (*http://www.cfe.cboe.com*), automated quotation systems, published or other public sources, or on-line information services such as Bloomberg or Reuters. Complete real-time data for component Russell Futures Contracts underlying the Index is available by subscription to Reuters and Bloomberg. Specifically, the level of the Index will be published at least every 15 seconds both in real time from 9:30 a.m. to 4:00 p.m. ET and at the close of trading on each Business Day by Bloomberg and Reuters. The CFE also provides delayed futures information on current and past trading sessions and market news free of charge on its website. The contract specifications of Russell Futures Contracts underlying the Index are also available on Bloomberg and Reuters.

Quotation information regarding the Shares will be disseminated through the facilities of the Consolidated Tape Association (''CTA''). Quotation information regarding Russell Futures Contracts and Russell Options Contracts will be available from the exchanges on which such instruments are traded. Quotation information relating to Russell Options Contracts will also be available via the Options Price Reporting Authority. Quotation and last-sale information for Russell Swap Agreements will be available from nationally recognized data service providers, such as Reuters and Bloomberg, through subscription agreements, or from a broker-dealer who makes markets in such instruments. Quotation and last-sale information for Russell Swap Agreements will be valued on the basis of quotations or equivalent indication of value supplied by a third-party pricing service or broker-dealer who makes markets in such instruments. Pricing information regarding Cash Equivalents in which the Funds will invest is generally available through nationally recognized data service providers, such as Reuters and Bloomberg, through subscription agreements.

In addition, the Funds' website at *www.GraniteShares.com* will display the end of day closing Index level, and NAV per Share for each Fund. The Funds will provide website disclosure of portfolio holdings daily and will include, as applicable, the notional value (in U.S. dollars) of Russell Derivative Products, and characteristics of such instruments, as well as Cash and Cash Equivalents held in the portfolio of each Fund. This website disclosure of the portfolio composition of each Fund will occur at the same time as the disclosure by each Fund of the portfolio composition to authorized participants so that all market participants are provided portfolio composition information at the same time. The same portfolio information will be provided on the public website as well as in electronic files provided to authorized participants.

In addition, in order to provide updated information relating to the Funds for use by investors and market professionals, an updated Intraday Indicative Value (''IIV'') will be calculated. The IIV is an indicator of the value of each Fund's holdings, which will include the Russell Derivative Products and Cash and Cash Equivalents less liabilities of each Fund at the time the IIV is disseminated. The IIV will be calculated and widely disseminated by one or more major market data vendors every 15 seconds throughout Regular Trading Hours.[10]

In addition, the IIV will be published on the Exchange's website and will be available through on-line information services such as Bloomberg and Reuters.

The IIV disseminated during Regular Trading Hours should not be viewed as

[7] A ''Business Day'' means any day other than a day when any of BZX, Cboe, CFE or other exchange material to the valuation or operation of the Funds, or the calculation of the Index, options contracts underlying the Index, or Russell Futures Contracts is closed for regular trading.

[8] Authorized participants have a cut-off time to place creation and redemption orders.

[9] NAV means the total assets of each Fund including, but not limited to, all Cash and Cash Equivalents or other debt securities less total liabilities of each Fund, consistently applied under the accrual method of accounting. Each Fund's NAV is calculated as of 4:00 p.m. ET.

[10] As defined in Exchange Rule 1.5(w), the term ''Regular Trading Hours'' means the time between 9:30 a.m. and 4:00 p.m. ET.

an actual real time update of the NAV, which is calculated only once a day. The IIV also should not be viewed as a precise value of the Shares.

Additional information regarding the Funds and the Shares, including investment strategies, risks, creation and redemption procedures, fees, portfolio holdings, disclosure policies, distributions and taxes will be included in the Registration Statement.

Initial and Continued Listing

The Shares of each Fund will conform to the initial and continued listing criteria under BZX Rule 14.11(f)(4). The Exchange represents that, for initial and continued listing, the Funds and the Trust must be in compliance with Rule 10A–3 under the Act. A minimum of 100,000 Shares of each Fund will be outstanding at the commencement of trading on the Exchange. The Exchange will obtain a representation from the Sponsor of the Shares that the NAV per Share for each Fund will be calculated daily and will be made available to all market participants at the same time.

Trading Halts

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Shares of each Fund. The Exchange will halt trading in the Shares under the conditions specified in BZX Rule 11.18. Trading may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable. These may include: (1) the extent to which trading is not occurring in the securities and/or the financial instruments composing the daily disclosed portfolio of the Fund; or (2) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present.

Trading Rules

The Exchange deems the Shares to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities. The Exchange will allow trading in the Shares from 8:00 a.m. until 8:00 p.m. ET and has the appropriate rules to facilitate transactions in the Shares during all trading sessions. As provided in BZX Rule 11.11(a), the minimum price variation for quoting and entry of orders in securities traded on the Exchange is $0.01, with the exception of securities that are priced less than $1.00, for which the minimum price variation for order entry is $0.0001.

Surveillance

Trading of the Shares through the Exchange will be subject to the Exchange's surveillance procedures for derivative products, including Trust Issued Receipts. All of the Russell Futures Contracts and Russell Options Contracts held by each Fund will trade on markets that are a member of the Intermarket Surveillance Group (''ISG'') or affiliated with a member of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.[11] The Exchange, FINRA, on behalf of the Exchange, or both will communicate regarding trading in the Shares and the underlying listed instruments, including listed derivatives held by each Fund, with the ISG, other markets or entities who are members or affiliates of the ISG, or with which the Exchange has entered into a comprehensive surveillance sharing agreement. In addition, the Exchange, FINRA on behalf of the Exchange, or both may obtain information regarding trading in the Shares and the underlying listed instruments, including listed derivatives, held by the Fund from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. The Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees. All statements and representations made in this filing regarding Index composition, description of the portfolio or reference assets, limitations on portfolio holdings or reference assets, dissemination and availability of reference of the Index, reference asset, and the applicability of Exchange rules specified in this filing shall constitute continued listing requirements for each Fund. The issuer has represented to the Exchange that it will advise the Exchange of any failure by either of the Funds or any of the Shares to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will surveil for compliance with the continued listing requirements. If either Fund or any of the Shares are not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under Exchange Rule 14.12.

[11] For a list of the current members and affiliate members of ISG, see *www.isgportal.com.* The Exchange notes that not all components of each Fund's holdings may trade on markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.

Information Circular

Prior to the commencement of trading, the Exchange will inform its members in an Information Circular of the special characteristics and risks associated with trading the Shares. Specifically, the Information Circular will discuss the following: (1) the procedures for creation and redemption of Shares in Creation Units (and that the Shares are not individually redeemable): (2) BZX Rule 3.7, which imposes suitability obligations on Exchange members with respect to recommending transactions in the Shares to customers; (3) Interpretation and Policy .01 of BZX Rule 3.7 which imposes a duty of due diligence on its members to learn the essential facts relating to every customer prior to trading the Shares; [12] (4) how information regarding each Fund's holdings is disseminated; (5) the requirement that members deliver a prospectus to investors purchasing newly issues Shares prior to or concurrently with the confirmation of a transaction; and (6) trading information.

Further, the Exchange notes that FINRA has implemented increased sales practice and customer margin requirements for FINRA members applicable to inverse, leveraged and inverse leveraged securities (which include the Shares) and options on such securities, as described in FINRA Regulatory Notices 09–31 (June 2009), O9–53 (August 2009), and 06–65 (November 2009) (collectively, ''FINRA Regulatory Notices''). Members that carry customer accounts will be required to follow the FINRA guidance set forth in these notices. As noted above, the Funds will seek daily investment results, before fees and expenses, that correspond to the Index, which measures daily performance of the Index and the daily inverse (*i.e.,* the opposite) of the Index. Because the target is daily, the Funds' performance over periods longer than one day will differ from 4x or −4x the Index's performance over those same periods due to the effects of compounding.

In addition, the Information Circular will advise members, prior to the commencement of trading, of the prospectus delivery requirements applicable to each Fund. Members

[12] Specifically, in part, Interpretation and Policy .01 of Rule 3.7 states ''[n]o Member shall recommend to a customer a transaction in any such product unless the Member has a reasonable basis for believing at the time of making the recommendation that the customer has such knowledge and experience in financial matters that he may reasonably be expected to be capable of evaluating the risks of the recommended transaction and is financially able to bear the risks of the recommended position.''

purchasing Shares from either Fund for resale to investors will deliver a prospectus to such investors. The Information Circular will also discuss any exemptive, no-action and interpretive relief granted by the Commission from any rules under the Act. In addition, the Information Circular will also reference that each Fund is subject to various fees and expenses described in the Funds' registration statement. The Information Circular will also disclose the trading hours of the Shares of each Fund and the applicable NAV calculation time for the Shares. The Information Circular will disclose that information about the Shares of each Fund will be publicly available on the Funds' website.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[13] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[14] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[15] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Funds represents an established product structure rather than a novel regulatory concept. 4X leveraged equity products currently trade in U.S. markets, including the MAX S&P 500 4X Leveraged ETN (Ticker: SPYU), demonstrating that this leverage level applied to broad-based U.S. equity indices has been deemed consistent with existing regulatory frameworks and investor protection standards. The regulatory acceptance of similar leveraged products establishes that 4X leverage on major equity indices does not present unprecedented risks or regulatory concerns that would warrant different treatment under the Act.

The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices in that the Shares will be listed and traded on the Exchange pursuant to the initial and continued listing criteria in Exchange Rule 14.11(f). The Exchange believes that its surveillance procedures are adequate to properly monitor the trading of the Shares on the Exchange during all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws. If the Sponsor to the Trust Issued Receipts is affiliated with a broker-dealer, such Sponsor and the Trust shall erect and maintain a ''fire wall'' between the Sponsor and the broker-dealer with respect to access to information concerning the composition and/or changes to either Fund's portfolio. The Sponsor is not a broker-dealer or affiliated with a broker-dealer. In the event that (a) the Sponsor becomes a broker-dealer or newly affiliated with a broker-dealer, or (b) any new sponsor is a broker-dealer or becomes affiliated with a broker-dealer, it will implement and maintain a fire wall with respect to its relevant personnel or such broker-dealer affiliate, as applicable, regarding access to information concerning the composition and/or changes to the portfolio, and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding the portfolio. The Exchange, FINRA, on behalf of the Exchange, or both may obtain information regarding trading in the Shares and the underlying Russell Futures Contracts and Russell Options Contracts via the ISG from other exchanges who are members or affiliates of ISG or with which the Exchange has entered into a comprehensive surveillance sharing agreement. In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

This proposal is designed to promote just and equitable principles of trade and to protect investors and the public interest in that the Exchange will obtain a representation from the issuer of the Shares that the NAV will be calculated daily and that the NAV and each of the Fund's holdings will be made available to all market participants at the same time. In addition, a large amount of information is publicly available regarding the Funds and the Shares, thereby promoting market transparency. Moreover, NAV calculation times will be posted on *www.GraniteShares.com.* If NAV calculation times differ from the standard schedule (such as when exchanges close early), the updated timing information will be available on the website. The website for the Funds will include a form of the prospectus for the Funds and additional data relating to the NAV and other quantitative information. Trading in Shares of the Funds will be halted under the conditions specified in Exchange Rule 11.18. Trading may also be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable. Finally, trading in the Shares will be subject to Exchange Rule 14.11(f)(4)(C)(ii), which sets forth circumstances under which Shares of the Funds may be halted.

This proposal is designed to perfect the mechanism of a free and open market and, in general, to protect investors and the public interest in that it will facilitate the listing and trading of an additional exchange-traded product that will enhance competition among market participants, to the benefit of investors and the marketplace.

As noted above, the Exchange has in place surveillance procedures relating to trading the Shares and may obtain information via ISG from other exchanges that are members of ISG or with which the Exchange has entered into a comprehensive surveillance sharing agreement. For the above reasons, the Exchange believes that this proposal is consistent with the requirements of Section 6(b)(5) of the Act.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. This proposal will facilitate the listing of an additional exchange-traded product on the Exchange, which will enhance competition among listing venues, to the benefit of issuers, investors and the marketplace more broadly. Market participants on other exchanges are welcome to trade at the Exchange if they determine that this proposal to list and trade the Shares has made the Exchange more attractive or favorable.

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

The Exchange neither solicited nor received comments on the proposed rule change.

[13] 15 U.S.C. 78f(b).

[14] 15 U.S.C. 78f(b)(5).

[15] *Id.*

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

A. by order approve or disapprove such proposed rule change, or

B. institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–CboeBZX–2025–141 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to file number SR–CboeBZX–2025–141. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (*https://www.sec.gov/rules/sro.shtml*). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–CboeBZX–2025–141 and should be submitted on or before October 24, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[16]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025–19443 Filed 10–2–25; 8:45 am]

BILLING CODE 8011–01–P

[16] 17 CFR 200.30–3(a)(12).

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration Number #21325 Disaster Number ZZ–00021]

The Entire United States and U.S. Territories Military Reservist Economic Injury Disaster Loan Program (MREIDL)

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is a notice of the Military Reservist Economic Injury Disaster Loan Program (MREIDL), dated October 1, 2025.

DATES: Issued on October 1, 2025.

MREIDL Loan Application Deadline Date: 1 year after the essential employee is discharged or released from active service.

ADDRESSES: *Visit the MySBA Loan Portal at https://lending.sba.gov* to apply for a disaster assistance loan.

FOR FURTHER INFORMATION CONTACT: Jennifer Talarico, Office of Disaster Recovery & Resilience, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205–6734.

SUPPLEMENTARY INFORMATION: This notice establishes the application filing period for the Military Reservist Economic Injury Disaster Loan Program (MREIDL).

Effective October 1, 2025 small businesses employing military reservists may apply for economic injury disaster loans if those employees are ordered to perform active service for a period of more than 30 consecutive days, and those employees are essential to the success of the small businesses' daily operations.

The purpose of the MREIDL program is to provide funds to an eligible small business to meet its ordinary and necessary operating expenses that it could have met, but is unable to meet, because an essential employee was ordered to perform active service for more than 30 consecutive days in his or her role as a military reservist. These loans are intended only to provide the amount of working capital needed by a small business to pay its necessary obligations as they mature until operations return to normal after the essential employee is released from active service.

Applications for the Military Reservist Economic Injury Disaster Loan Program may be submitted online using the MySBA Loan Portal (*https://lending.sba.gov*).

Please contact the SBA disaster assistance customer service center by email at *disastercustomerservice@sba.gov* or by phone at 1–800–659–2955 for further assistance.

The interest rates are published quarterly in the **Federal Register**. The current rate for eligible small businesses is 4.000.

The number assigned is 213250.

(Catalog of Federal Domestic Assistance Number 59008)

(Authority: 13 CFR 1234.3(b).)

James Stallings,

Associate Administrator, Office of Disaster Recovery & Resilience.

[FR Doc. 2025–19463 Filed 10–2–25; 8:45 am]

BILLING CODE 8026–09–P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #21323 and #21324; MINNESOTA Disaster Number MN–20020]

Administrative Declaration of a Disaster for the State of Minnesota

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is a notice of an Administrative declaration of a disaster for the State of Minnesota dated September 30, 2025.

Incident: Severe Storms and Flooding.

DATES: Issued on September 30, 2025.

Incident Period: July 27, 2025 through July 28, 2025.

Physical Loan Application Deadline Date: December 1, 2025.

Economic Injury (EIDL) Loan Application Deadline Date: June 30, 2026.

ADDRESSES: *Visit the MySBA Loan Portal at https://lending.sba.gov* to apply for a disaster assistance loan.

FOR FURTHER INFORMATION CONTACT: Jennifer Talarico, Office of Disaster Recovery & Resilience, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205–6734.

SUPPLEMENTARY INFORMATION: Notice is hereby given that as a result of the Administrator's disaster declaration, applications for disaster loans may be

submitted online using the MySBA Loan Portal *https://lending.sba.gov* or other locally announced locations. Please contact the SBA disaster assistance customer service center by email at *disastercustomerservice@sba.gov* or by phone at 1–800–659–2955 for further assistance.

The following areas have been determined to be adversely affected by the disaster:

Primary Counties: Stevens.

Contiguous Counties:

Minnesota: Big Stone, Douglas, Grant, Pope, Swift, Traverse.

The Interest Rates are:

	Percent
For Physical Damage:	
Homeowners with Credit Available Elsewhere	5.625
Homeowners without Credit Available Elsewhere	2.813
Businesses with Credit Available Elsewhere	8.000
Businesses without Credit Available Elsewhere	4.000
Non-Profit Organizations with Credit Available Elsewhere	3.625
Non-Profit Organizations without Credit Available Elsewhere	3.625
For Economic Injury:	
Business and Small Agricultural Cooperatives without Credit Available Elsewhere	4.000
Non-Profit Organizations without Credit Available Elsewhere	3.625

The number assigned to this disaster for physical damage is 213236 and for economic injury is 213240.

The State which received an EIDL Declaration is Minnesota.

(Catalog of Federal Domestic Assistance Number 59008)

(Authority: 13 CFR 1234.3(b).)

James Stallings,

Associate Administrator, Office of Disaster Recovery & Resilience.

[FR Doc. 2025–19456 Filed 10–2–25; 8:45 am]

BILLING CODE 8026–09–P

SUSQUEHANNA RIVER BASIN COMMISSION

Public Hearing

AGENCY: Susquehanna River Basin Commission.

ACTION: Notice.

SUMMARY: The Susquehanna River Basin Commission will hold a public hearing on October 29, 2025. The Commission will hold this hearing in person and telephonically. At this public hearing, the Commission will hear testimony on the projects and actions listed in the Supplementary Information section of this notice. Such projects and actions are intended to be scheduled for Commission action at its next business meeting, scheduled for December 4, 2025, which will be noticed separately. The public should note that this public hearing will be the only opportunity to offer oral comments to the Commission for the listed projects and actions. The deadline for the submission of written comments is November 10, 2025.

DATES: The public hearing will convene on October 29, 2025, at 6:00 p.m. The public hearing will end at 9:00 p.m. or at the conclusion of public testimony, whichever is earlier. The deadline for submitting written comments is Monday, November 10, 2025.

ADDRESSES: This public hearing will be conducted in person and telephonically. You may attend in person at Susquehanna River Basin Commission, 4423 N Front St., Harrisburg, Pennsylvania, or join by telephone at Toll-Free Number 1–877–304–9269 and then enter the guest passcode 2619070 followed by #.

FOR FURTHER INFORMATION CONTACT: Jason Oyler, General Counsel and Secretary to the Commission, telephone: (717) 238–0423 or *joyler@srbc.gov.*

Information concerning the project applications is available at the Commission's Water Application and Approval Viewer at *https://www.srbc.gov/waav.* The proposed regulatory fee schedule is available on the Commission's website at *https://www.srbc.gov/regulatory/public-participation/.* Additional supporting documents are available to inspect and copy in accordance with the Commission's Access to Records Policy at *www.srbc.gov/regulatory/policies-guidance/docs/access-to-records-policy-2009-02.pdf.*

SUPPLEMENTARY INFORMATION: The public hearing will cover a proposed regulatory program fee schedule intended to become effective on January 1, 2026. The proposed changes to the fee schedule would apply an inflation-based cost of living adjustment to the many of the Commission's regulatory fees. The public hearing will also cover the following projects:

Projects Scheduled for Action

1. *Project Sponsor:* Aqua Pennsylvania, Inc. Project Facility: Monroe Manor System, Monroe Township, Snyder County, Pa. Application for renewal of groundwater withdrawal of up to 0.392 mgd (30-day average) from Well 6 (Docket No. 20101202).

2. *Project Sponsor and Facility:* Aquaport, LLC, Old Lycoming Township, Lycoming County, Pa. Application for groundwater withdrawal of up to 0.250 mgd (30-day average) from Well 1.

3. *Project Sponsor and Facility:* College Township Water Authority, College Township, Centre County, Pa. Application for renewal of groundwater withdrawal of up to 1.800 mgd (30-day average) from Spring Creek Park Well 1 (Docket No. 19990302).

4. *Project Sponsor and Facility:* Coterra Energy Inc. (Susquehanna River), Susquehanna Depot Borough, Susquehanna County, Pa. Application for renewal of surface water withdrawal of up to 1.500 mgd (peak day) (Docket No. 20201201).

5. *Project Sponsor and Facility:* Elizabethville Area Authority, Elizabethville Borough and Washington Township, Dauphin County, Pa. Applications for renewal of groundwater withdrawals (30-day averages) of up to 0.038 mgd from Well 3, 0.031 mgd from Well 4, and 0.036 mgd from Well 5 (Docket Nos. 19930907 and 19981203).

6. *Project Sponsor:* Essential Power Rock Springs, LLC. Project Facility: Rock Springs Generation Facility, Oakwood District, Cecil County, Md. Application for renewal of consumptive use of up to 0.262 mgd (peak day) (Docket No. 20001203).

7. *Project Sponsor and Facility:* Expand Operating LLC (Towanda Creek), Monroe Township and Monroe Borough, Bradford County, Pa. Application for renewal of surface water withdrawal of up to 1.500 mgd (peak day) (Docket No. 20201202).

8. *Project Sponsor and Facility:* Expand Operating LLC (Wyalusing Creek), Rush Township, Susquehanna County, Pa. Application for renewal with modification of surface water withdrawal of up to 3.000 mgd (peak day) (Docket No. 20220604).

9. *Project Sponsor and Facility:* Indian Trail Mountain Spring Water, Gratz Borough, Dauphin County, Pa. Application for renewal of consumptive use of up to 0.092 mgd (peak day) (Docket No. 20001205).

10. *Project Sponsor and Facility:* Moccasin Run Golf Club, Inc., West Fallowfield Township, Chester County, Pa. Application for renewal with modification of consumptive use of up to 0.249 mgd (30-day average) (Docket No. 20001204).

11. *Project Sponsor:* Mott's LLP. Project Facility: Aspers Plant, Menallen Township, Adams County, Pa. Request

for extension and continued temporary operation under Emergency Certificate Modification issued July 18, 2025, authorizing temporary operational changes due to dry conditions. Considering extension of authorization term until future Commission action on pending applications for facility consumptive use and groundwater withdrawals from Wells 7, 9, 10, and 11.

12. *Project Sponsor and Facility:* Pennsylvania Grain Processing LLC, Clearfield Borough, Clearfield County, Pa. Application for groundwater withdrawal of up to 0.259 mgd (30-day average) from Well GW–1, and modification to add a source (Well GW–1) for consumptive use (Docket No. 20220909).

13. *Project Sponsor and Facility:* RES Coal LLC, Boggs Township, Clearfield County, Pa. Application for renewal with modification of consumptive use of up to 0.099 mgd (30-day average) (Docket No. 20120613).

14. *Project Sponsor:* Schuylkill County Municipal Authority. Project Facility: Tremont Service Area, Tremont Borough and Tremont Township, Schuylkill County, Pa. Applications for renewal of groundwater withdrawals (30-day averages) of up to 0.194 mgd from Well 4 and 0.087 mgd from Well 15 (Docket Nos. 19950103 and 19990902).

15. *Project Sponsor and Facility:* State College Borough Water Authority, Benner Township, Centre County, Pa. Applications for renewal of groundwater withdrawals (30-day averages) of up to 1.440 mgd from Well 71, 1.224 mgd from Well 73, 1.584 mgd from Well 78, and 0.576 mgd from Well 79 (Docket No. 19940903).

Opportunity To Appear and Comment

Interested parties may appear or call into the hearing to offer comments to the Commission on any business listed above required to be the subject of a public hearing. Given the nature of the meeting, the Commission strongly encourages those members of the public wishing to provide oral comments to pre-register with the Commission by emailing Jason Oyler at *joyler@srbc.gov* before the hearing date. The presiding officer reserves the right to limit oral statements in the interest of time and to control the course of the hearing otherwise. Access to the hearing via telephone will begin at 5:45 p.m. Guidelines for the public hearing are posted on the Commission's website, *www.srbc.gov,* before the hearing for review. The presiding officer reserves the right to modify or supplement such guidelines at the hearing. Written comments on any business listed above required to be the subject of a public hearing may also be mailed to Mr. Jason Oyler, Secretary to the Commission, Susquehanna River Basin Commission, 4423 North Front Street, Harrisburg, Pa. 17110–1788, or submitted electronically through *https://www.srbc.gov/meeting-comment/default.aspx?type=2&cat=7.* Comments mailed or electronically submitted must be received by the Commission on or before Monday, November 10, 2025.

Authority: Public Law 91–575, 84 Stat. 1509 *et seq.,* 18 CFR parts 806, 807, and 808.

Dated: September 30, 2025.

Jason E. Oyler,

General Counsel and Secretary to the Commission.

[FR Doc. 2025–19386 Filed 10–2–25; 8:45 am]

BILLING CODE 7040–01–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[Docket No.: FAA–2024–2648; Summary Notice No. 2025–61]

Petition for Exemption; Summary of Petition Received; Eric Friedman

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Notice.

SUMMARY: This notice contains a summary of a petition seeking relief from specified requirements of Federal Aviation Regulations. The purpose of this notice is to improve the public's awareness of, and participation in, the FAA's exemption process. Neither publication of this notice nor the inclusion nor omission of information in the summary is intended to affect the legal status of the petition or its final disposition.

DATES: Comments on this petition must identify the petition docket number and must be received on or before October 23, 2025.

ADDRESSES: Send comments identified by docket number FAA–2024–2648 using any of the following methods:

- *Federal eRulemaking Portal:* Go to *http://www.regulations.gov* and follow the online instructions for sending your comments electronically.
- *Mail:* Send comments to Docket Operations, M–30; U.S. Department of Transportation, 1200 New Jersey Avenue SE, Room W12–140, West Building Ground Floor, Washington, DC 20590–0001.
- *Hand Delivery or Courier:* Take comments to Docket Operations in Room W12–140 of the West Building Ground Floor at 1200 New Jersey Avenue SE, Washington, DC 20590–0001, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.
- *Fax:* Fax comments to Docket Operations at (202) 493–2251.

Privacy: In accordance with 5 U.S.C. 553(c), DOT solicits comments from the public to better inform its rulemaking process. DOT posts these comments, without edit, including any personal information the commenter provides, to *http://www.regulations.gov,* as described in the system of records notice (DOT/ALL–14 FDMS), which can be reviewed at *http://www.dot.gov/privacy.*

Docket: Background documents or comments received may be read at *http://www.regulations.gov* at any time. Follow the online instructions for accessing the docket or go to the Docket Operations in Room W12–140 of the West Building Ground Floor at 1200 New Jersey Avenue SE, Washington, DC 20590–0001, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Nondie Hemphill, Office of Rulemaking, Federal Aviation Administration, 800 Independence Avenue SW, Washington, DC 20591, at 202–267–9677.

This notice is published pursuant to 14 CFR 11.85.

Issued in Washington, DC.

Dan A. Ngo,

Manager, Part 11 Petitions Branch, Office of Rulemaking.

Petition for Exemption

Docket No.: FAA–2024–2648.

Petitioner: Eric Friedman.

Section(s) of 14 CFR Affected: §§ 67.113(a), 67.213(a), 67.313(a).

Description of Relief Sought: The petitioner seeks exemption from the medical standards in 14 CFR 67.113(a), 67.213(a), and 67.313(a) that prohibit an airman with a medical history or clinical diagnosis of diabetes mellitus that requires insulin or any other hypoglycemic drug for control from qualifying for a first, second, or third-class medical certificate. The petitioner additionally seeks relief from the discretionary issuance process by which the Office of Aerospace Medicine (AAM) provides special issuances of medical certificates under 14 CFR 67.401. The petitioner requests a formal grant of regulatory exemption for the purpose of formalizing eligibility requirements. The petitioner seeks a grant of exemption that contains all of the terms and conditions under which

he may renew his currently valid, unrestricted first-class medical certificate, or obtain a medical certificate of any other class, if he chooses, in accordance with the regulatory validity periods listed in 14 CFR 61.23(d).

[FR Doc. 2025–19403 Filed 10–2–25; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[Docket No.: FAA–2025–2168; Summary Notice No. 2025–60]

Petition for Exemption; Summary of Petition Received; Joseph Garcia

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Notice.

SUMMARY: This notice contains a summary of a petition seeking relief from specified requirements of Federal Aviation Regulations. The purpose of this notice is to improve the public's awareness of, and participation in, the FAA's exemption process. Neither publication of this notice nor the inclusion nor omission of information in the summary is intended to affect the legal status of the petition or its final disposition.

DATES: Comments on this petition must identify the petition docket number and must be received on or before October 23, 2025.

ADDRESSES: Send comments identified by docket number FAA–2025–2168 using any of the following methods:

- *Federal eRulemaking Portal:* Go to *http://www.regulations.gov* and follow the online instructions for sending your comments electronically.
- *Mail:* Send comments to Docket Operations, M–30; U.S. Department of Transportation, 1200 New Jersey Avenue SE, Room W12–140, West Building Ground Floor, Washington, DC 20590–0001.
- *Hand Delivery or Courier:* Take comments to Docket Operations in Room W12–140 of the West Building Ground Floor at 1200 New Jersey Avenue SE, Washington, DC 20590–0001, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.
- *Fax:* Fax comments to Docket Operations at (202) 493–2251.

Privacy: In accordance with 5 U.S.C. 553(c), DOT solicits comments from the public to better inform its rulemaking process. DOT posts these comments, without edit, including any personal information the commenter provides, to *http://www.regulations.gov,* as described in the system of records notice (DOT/ALL–14 FDMS), which can be reviewed at *http://www.dot.gov/privacy.*

Docket: Background documents or comments received may be read at *http://www.regulations.gov* at any time. Follow the online instructions for accessing the docket or go to the Docket Operations in Room W12–140 of the West Building Ground Floor at 1200 New Jersey Avenue SE, Washington, DC 20590–0001, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Kara White, Office of Rulemaking, Federal Aviation Administration, 800 Independence Avenue SW, Washington, DC 20591, at 202–267–9677.

This notice is published pursuant to 14 CFR 11.85.

Issued in Washington, DC.

Dan A. Ngo,

Manager, Part 11 Petitions Branch, Office of Rulemaking.

Petition for Exemption

Docket No.: FAA–2025–2168.
Petitioner: Joseph Garcia.
Section(s) of 14 CFR Affected: §§ 61.197 and 61.199.
Description of Relief Sought: The petitioner requests relief from the § 61.197 and proposes instead for the petitioner to complete a flight instructor refresher course (FIRC) to establish recent experience requirements for flight instructor certification beyond the required 24-calendar-month period, thereby, reinstating the petitioner's flight instructor privileges. The relief sought would also allow the petitioner to reinstate their flight instructor privileges by granting relief from § 61.199(a)(2) by completing an approved FIRC beyond the three-calendar-month period allowed in § 61.199(a)(1) instead.

[FR Doc. 2025–19401 Filed 10–2–25; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[Docket No.: FAA–2000–7945; Summary Notice No. 2025–58]

Petition for Exemption; Summary of Petition Received; The Boeing Company

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Notice.

SUMMARY: This notice contains a summary of a petition seeking relief from specified requirements of Federal Aviation Regulations. The purpose of this notice is to improve the public's awareness of, and participation in, the FAA's exemption process. Neither publication of this notice nor the inclusion nor omission of information in the summary is intended to affect the legal status of the petition or its final disposition.

DATES: Comments on this petition must identify the petition docket number and must be received on or before October 23, 2025.

ADDRESSES: Send comments identified by docket number FAA–2000–7945 using any of the following methods:

- *Federal eRulemaking Portal:* Go to *http://www.regulations.gov* and follow the online instructions for sending your comments electronically.
- *Mail:* Send comments to Docket Operations, M–30; U.S. Department of Transportation, 1200 New Jersey Avenue SE, Room W12–140, West Building Ground Floor, Washington, DC 20590–0001.
- *Hand Delivery or Courier:* Take comments to Docket Operations in Room W12–140 of the West Building Ground Floor at 1200 New Jersey Avenue SE, Washington, DC 20590–0001, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.
- *Fax:* Fax comments to Docket Operations at (202) 493–2251.

Privacy: In accordance with 5 U.S.C. 553(c), DOT solicits comments from the public to better inform its rulemaking process. DOT posts these comments, without edit, including any personal information the commenter provides, to *http://www.regulations.gov,* as described in the system of records notice (DOT/ALL–14 FDMS), which can be reviewed at *http://www.dot.gov/privacy.*

Docket: Background documents or comments received may be read at *http://www.regulations.gov* at any time. Follow the online instructions for accessing the docket or go to the Docket Operations in Room W12–140 of the West Building Ground Floor at 1200 New Jersey Avenue SE, Washington, DC 20590–0001, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Kara White, Office of Rulemaking, Federal Aviation Administration, 800 Independence Avenue SW, Washington, DC 20591, at 202–267–9677.

This notice is published pursuant to 14 CFR 11.85.

Issued in Washington, DC.

Dan A. Ngo,

Manager, Part 11 Petitions Branch, Office of Rulemaking.

Petition for Exemption

Docket No.: FAA–2000–7945.

Petitioner: The Boeing Company (Boeing).

Section(s) of 14 CFR Affected: §§ 61.57(e)(4)(i) and (ii).

Description of Relief Sought: The petitioner has requested an exemption from §§ 61.57(e)(4)(i) and (ii) of the Code of Federal Regulations (14 CFR) which would allow Boeing production and engineering flight test pilots to use the alternate recency requirements in any Boeing transport-category aircraft (or full flight simulator representing those types of Boeing aircraft) to meet the takeoff and landing recent experience requirements of § 61.57(b) for any other Boeing transport-category aircraft.

[FR Doc. 2025–19402 Filed 10–2–25; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[Docket No.: FAA–2025–2101; Summary Notice No. 2025–59]

Petition for Exemption; Summary of Petition Received; AMAC Aerospace Switzerland AG

AGENCY: Federal Aviation Administration (FAA), Department of Transportation (DOT).

ACTION: Notice.

SUMMARY: This notice contains a summary of a petition seeking relief from specified requirements of Federal Aviation Regulations. The purpose of this notice is to improve the public's awareness of, and participation in, the FAA's exemption process. Neither publication of this notice nor the inclusion nor omission of information in the summary is intended to affect the legal status of the petition or its final disposition.

DATES: Comments on this petition must identify the petition docket number and must be received on or before October 23, 2025.

ADDRESSES: Send comments identified by docket number FAA–2025–2101 using any of the following methods:

- *Federal eRulemaking Portal:* Go to *http://www.regulations.gov* and follow the online instructions for sending your comments electronically.
- *Mail:* Send comments to Docket Operations, M–30; U.S. Department of Transportation, 1200 New Jersey Avenue SE, Room W12–140, West Building Ground Floor, Washington, DC 20590–0001.
- *Hand Delivery or Courier:* Take comments to Docket Operations in Room W12–140 of the West Building Ground Floor at 1200 New Jersey Avenue SE, Washington, DC 20590–0001, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.
- *Fax:* Fax comments to Docket Operations at (202) 493–2251.

Privacy: In accordance with 5 U.S.C. 553(c), DOT solicits comments from the public to better inform its rulemaking process. DOT posts these comments, without edit, including any personal information the commenter provides, to *http://www.regulations.gov,* as described in the system of records notice (DOT/ALL–14 FDMS), which can be reviewed at *http://www.dot.gov/privacy.*

Docket: Background documents or comments received may be read at *http://www.regulations.gov* at any time. Follow the online instructions for accessing the docket or go to the Docket Operations in Room W12–140 of the West Building Ground Floor at 1200 New Jersey Avenue SE, Washington, DC 20590–0001, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Nondie Hemphill, Office of Rulemaking, Federal Aviation Administration, 800 Independence Avenue SW, Washington, DC 20591, at 202–267–9677.

This notice is published pursuant to 14 CFR 11.85.

Issued in Washington, DC.

Dan A. Ngo,

Manager, Part 11 Petitions Branch, Office of Rulemaking.

Petition for Exemption

Docket No.: FAA–2025–2101

Petitioner: AMAC Aerospace Switzerland AG

Section(s) of 14 CFR Affected: §§ 25.812(b)(1)(i), 25.812(b)(1)(ii), and 25.813(c)(2)(ii)

Description of Relief Sought: AMAC Aerospace Switzerland AG petitions the Federal Aviation Administration for an exemption from §§ 25.812(b)(1)(i), 25.812(b)(1)(ii), and 25.813(c)(2)(ii) of Title 14, Code of Federal Regulations. If granted, this exemption would allow for deviations from the standard minimum size requirements for passenger exit signs and the accessibility standards for Type III overwing emergency exits. The request specifically pertains to an executive interior configuration on a Boeing Model 737–8 aircraft, which is intended solely for private use.

[FR Doc. 2025–19404 Filed 10–2–25; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF VETERANS AFFAIRS

Privacy Act of 1974; Matching Program

AGENCY: Department of Veterans Affairs (VA).

ACTION: Notice of a new matching program.

SUMMARY: This computer matching agreement sets forth the terms, conditions, and safeguards under which the Social Security Administration (SSA) will disclose tax return information to the Department of Veterans Affairs, Veterans Health Administration (VA/VHA). VA/VHA will use the tax return information to verify veterans' employment status and earnings to determine eligibility for its health benefit programs.

DATES: Comments on this matching program must be received no later than November 3, 2025. If no public comment is received during the period allowed for comment or unless otherwise published in the **Federal Register** by VA, the new agreement will become effective a minimum of 30 days after date of publication in the **Federal Register**. If VA receives public comments, VA shall review the comments to determine whether any changes to the notice are necessary. This matching program will be valid for 18 months from the effective date of this notice.

ADDRESSES: Comments may be submitted through *www.Regulations.gov* or mailed to VA Privacy Service, 810 Vermont Avenue NW, (005X6F), Washington, DC 20420. Comments should indicate that they are submitted in response to Computer Matching Agreement Between the Social Security Administration and The Department of Veterans Affairs Veterans Health Administration, Match #1052. Comments received will be available at *regulations.gov* for public viewing, inspection or copies.

FOR FURTHER INFORMATION CONTACT: Ryan Heiman, Acting Executive Director, Member Services, Veterans Health Administration, 3401 SW 21st St., Bldg. 9, Topeka, KS 66604, Telephone: 785–409–2318, Email: *Ryan.Heiman@va.gov*.

SUPPLEMENTARY INFORMATION: The Health Eligibility Center (HEC) verifies the self-reported income of certain veterans whose eligibility for medical care is based on income level. HEC is an entity within the VHA, Member Services. ''Tax return information,'' for purposes of this agreement, means SSA's records obtained under the authority of 26 U.S.C. 6103 concerning the amount of an individual's earnings from wages or self-employment income, the period(s) involved, and the identities and addresses of employers.

Participating Agencies

Department of Veterans Affairs, Veterans Health Administration (VA/VHA) and the Social Security Administration.

Authority for Conducting the Matching Program

This agreement is executed under the Privacy Act of 1974, 5 United States Code (U.S.C.) § 552a, as amended by the Computer Matching and Privacy Protection Act of 1988, and the regulations and guidance promulgated thereunder, and relevant provisions of the Internal Revenue Code (IRC), 26 U.S.C. 6103. The legal authorities for SSA to conduct this computer matching are sections 38 U.S.C. 5106, 5317, 1710, and 26 U.S.C. 6103(l)(7)(D)(viii). 38 U.S.C. 5106 and 5317 requires Federal agencies to furnish VA with information the VA Secretary may request for determining eligibility for or the amount of VA benefits. 38 U.S.C. 1710 requires VA/VHA to collect income information from certain applicants for medical care and to use that income data to determine the appropriate eligibility category for the applicant's medical care.26 U.S.C. 6103(l)(7) authorizes the disclosure of tax return information with respect to net earnings from self-employment and wages, as defined by relevant IRC sections, to Federal, state, and local agencies administering certain benefit programs under Title 38 of the U.S.C. 7213 of the Intelligence Reform and Terrorism Prevention Act of 2004 provides SSA authority to add a death indicator to verification routines that the agency determines to be appropriate.

Purpose(s)

This computer matching agreement sets forth the terms, conditions, and safeguards under which the Social Security Administration (SSA) will disclose tax return information to the Department of Veterans Affairs, Veterans Health Administration (VA/VHA). VA/VHA will use the tax return information to verify veterans' employment status and earnings to determine eligibility for its health benefit programs.

Categories of Individuals

Veterans applying for VA Health Care Benefits

Categories of Records

VA/VHA will provide SSA with the following information for everyone for whom VA/VHA requests tax return information: first name, last name, SSN, and date of birth (DOB). VA will not include the individual's sex in the finder file it submits to SSA. VA/VHA will provide the requested tax report year for which data is being requested.

System(s) of Records

SSA will match the data in VA/VHA's electronic file with SSA Enumeration data from the Master Files of SSN Holders and SSN Applications (referred to as the Enumeration System), 60–0058, last fully published at 87 FR 263 (January 4, 2022). SSA will subsequently run those verified SSNs against the Earnings Recording and Self-Employment Income System (referred to as the Master Earnings File (MEF)), 60–0059, last fully published at 71 FR 1819 (January 11, 2006) and amended at 78 FR 40542 (July 5, 2013) and 83 FR 54969 (November 1, 2018) to extract and disclose the needed tax return information to VA/VHA. VA/VHA will match SSA information with information extracted from its system of records ''Income Verification Records-VA'' (89VA10NB).

The information in these systems of records may be updated during the effective period of this agreement as required by the Privacy Act.

Signing Authority

The Senior Agency Official for Privacy, or designee, approved this document and authorized the undersigned to sign and submit the document to the Office of the Federal Register for publication electronically as an official document of the Department of Veterans Affairs. Merissa Larson, Chief Privacy Officer and Chair of the Data Integrity Board, Department of Veterans Affairs approved this document on August 28, 2025, for publication.

Dated: September 30, 2025.

Saurav Devkota,

Government Information Specialist, VA Privacy Service, Office of Compliance, Risk and Remediation, Office of Information and Technology, Department of Veterans Affairs.

[FR Doc. 2025–19426 Filed 10–2–25; 8:45 am]

BILLING CODE 8320–01–P

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Federal Register

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