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

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Parts 2, 5, 36, 131, 153, 156, 157, 287, 300, 366, 375, and 385

[Docket No. RM25–14–000; Order No. 914]

Implementation of the Executive Order Entitled “Zero-Based Budgeting To Unleash American Energy”

AGENCY: Federal Energy Regulatory Commission.

ACTION: Direct final rule.

SUMMARY: The Commission is revising its regulations to insert a conditional sunset date into certain regulations in response to Executive Order (E.O.) 14270, “Zero-Based Regulatory Budgeting to Unleash American Energy.”

DATES: This rule is effective December 5, 2025, unless significant adverse comments are received by November 20, 2025. If any part of the direct final rule is withdrawn as a result of such comments, timely notice of the withdrawal will be published in the **Federal Register**.

ADDRESSES: Comments, identified by docket number, may be filed in the following ways. Electronic filing through <http://www.ferc.gov>, is preferred.

- **Electronic Filing:** Documents must be filed in acceptable native applications and print-to-PDF, but not in scanned or picture format.

- For those unable to file electronically, comments may be filed by USPS mail or by hand (including courier) delivery.

- **Mail via U.S. Postal Service Only:** Addressed to: Federal Energy Regulatory Commission, Secretary of the Commission, 888 First Street NE, Washington, DC 20426.

- **Hand (Including Courier) Delivery:** Deliver to: Federal Energy Regulatory

Commission, 12225 Wilkins Avenue, Rockville, MD 20852.

FOR FURTHER INFORMATION CONTACT:

Richard Lehfeltd, Office of the General Counsel, Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426, (202) 502–6592, richard.lehfeltd@ferc.gov.

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SUPPLEMENTARY INFORMATION:

1. In this direct final rule, the Federal Energy Regulatory Commission (Commission) inserts, into the specific regulations identified herein, a sunset provision that establishes a conditional sunset date that is one year after the effective date of this rule, and provides an opportunity to comment on the costs and benefits of the regulations to be conditionally sunset prior to the sunset date. Following the sunset date, the Commission will consider sunset regulations to no longer be effective, will not seek to enforce sunset regulations, and will remove the sunset regulations from the *Code of Federal Regulations* and make necessary conforming changes. Through this action, the Commission responds to Executive Order (E.O.) 14270, “Zero-Based Regulatory Budgeting to Unleash American Energy,” and sunsets outdated and unnecessary regulations to eliminate unwarranted regulatory burdens and better harmonize the Commission’s regulations with its underlying statutory authorities.

I. Rulemaking Procedure

2. The former Administrative Conference of the United States (ACUS) endorsed use of the direct final rule process as a means for expediting rulemaking.¹ A direct final rule is a regulatory document that is used for non-controversial regulatory amendments. The direct final rule process allows an agency to issue a rule without having to go through the review process twice (*i.e.*, at the proposed and final rule stages), while at the same time offering the public the opportunity to challenge the agency’s view that the rule is non-controversial. As explained below, and in keeping with E.O. 14270,

¹ See ACUS Recommendation 95–4, Procedures for Non-controversial and Expedited Rulemaking, 60 FR 43110 (Aug. 18, 1995).

“Zero-Based Regulatory Budgeting to Unleash American Energy,” this rulemaking would add a “sunset provision” to 53 outdated, seldomly used, or duplicative regulations. Therefore, because the Commission does not anticipate significant public comments on this rulemaking and considers it to be non-controversial, the Commission is using the “direct final rule procedure” for this rule. The amendments are effective on December 5, 2025. However, if the Commission receives significant adverse comments on any part of this direct final rule by November 20, 2025, then the Commission will publish a document that withdraws any such part of this action and will address the comments received in a subsequent final rule as a response to the companion proposed rule published in the Proposed Rules section of this issue of the **Federal Register** or take other action as appropriate. Absent significant modifications to the proposed revisions requiring republication, the Commission will not initiate a second comment period on this action. Comments received on this direct final rule will also be considered comments on the companion proposed rule.

3. A significant adverse comment is a comment where the commenter explains why the rule (or part of the rule) would be inappropriate, including challenges to the rule’s underlying premise or approach, or would be ineffective or unacceptable without a change. A comment is adverse and significant if:

(1) The comment opposes the rule (or part of the rule) and provides a reason sufficient to require a substantive response in a notice-and-comment process. For example, a substantive response is required when:

(a) The comment causes the Commission to reevaluate (or reconsider) its position or to conduct additional analysis;

(b) The comment raises an issue serious enough to warrant a substantive response to clarify or complete the record; or

(c) The comment raises a relevant issue that was not previously addressed or considered by the Commission.

(2) The comment proposes a change or an addition to the rule, and it is apparent that the rule would be ineffective or unacceptable without incorporation of the change or addition.

(3) The comment causes the Commission to make a change (other than editorial) to the rule.

4. Each of the amended regulations herein operates independently and the sunseting of each regulation is not dependent on the sunseting of any other regulation in this direct final rule. Thus, if any section, subsection, sentence, or other provision of this direct final rule is withdrawn by the Commission pursuant to the direct final rule procedure as set forth in this rulemaking, or if any such section, subsection, sentence, or other provision of this rulemaking is found to be invalid or unenforceable, such action or determination shall not affect the validity or enforceability of any other provision of this direct final rule which can otherwise be enforced. The Commission has considered the provisions in this direct final rule, both individually and in their totality, and intends for the remaining sunset provisions as finalized to remain in full force and legal effect.

II. Background

5. E.O. 14270, “Zero-Based Regulatory Budgeting to Unleash American Energy,”² directs the Commission to issue a rule inserting a conditional sunset date into each of its regulations that are in effect as of the date of the E.O. and were issued in whole or in part pursuant to the following statutes, as amended: the Federal Power Act of 1935 (FPA), the Natural Gas Act of 1938 (NGA), and the Powerplant and Industrial Fuel Use Act of 1978 (PIFUA).³ The E.O. describes the conditional sunset date for covered regulations to be one year after the effective date of the rule. The E.O. directs the Commission to issue the rule “to the extent consistent with applicable law” and provides that the E.O. does not apply to “regulatory permitting regimes authorized by statute.” This rule identifies regulations ripe for sunseting that do not fit into one or more of the following three categories as covered by the E.O.: (1) regulations that cannot be sunset “consistent with applicable law” because they are necessary to fulfill the Commission’s statutory mandates to ensure reliable, safe, secure, and economically efficient energy for consumers at a reasonable cost; (2) regulations that are part of the

Commission’s “regulatory permitting regimes authorized by statute;”⁴ or (3) regulations that implement statutes other than the three specific statutes identified in the E.O.

6. Consistent with the goals of the E.O., this rule also identifies regulations that fall into one or more of the above three categories, but similarly are not being used or no longer serve their original purpose. As explained in section III, “Discussion,” of this document, the Commission will also add a conditional sunset date to those regulations. A sunset date will allow these unused regulations to roll off the books. At the same time, if evidence emerges in the interim indicating a continued need for these regulations, the agency can extend the sunset date as appropriate. Importantly, the Commission is also continuing its regulatory reform efforts through rulemaking activities consistent with other executive orders, including E.O. 14192 (“Unleashing Prosperity Through Deregulation”) and E.O. 14154 (“Unleashing American Energy”).

7. The sunseting provision will establish a conditional sunset date that is one year after the effective date of this rule and provide an opportunity to comment on the costs and benefits of the regulations to be conditionally sunset prior to the sunset date. Following the sunset date, the Commission will consider sunset regulations to no longer be effective, will not seek to enforce sunset regulations, and will remove the sunset regulations from the *Code of Federal Regulations* and make necessary conforming changes. However, following the opportunity provided by this direct final rule (and its companion notice of proposed rulemaking) for the public to comment on the costs and benefits of the regulations referenced below, the Commission may extend the conditional sunseting date if warranted.

III. Discussion

8. The Commission will include the sunseting provision in each of the following regulations, for the reasons explained below, consistent with the approach outlined in E.O. 14270 (Section 4, Zero-Based Regulation).

9. The President has directed the Commission to issue a zero-based regulating rule. E.O. 14270 states that “each of the Covered Agencies shall issue a sunset rule,” and further specifies the terms of that rule. The

President’s direction provides an independent justification for initiating this rulemaking. We note that E.O. 14270 does not, however, direct the Commission to rescind or reissue any particular regulation, nor does it alter the Commission’s statutory responsibility and authority to issue, modify, or repeal regulations, consistent with its statutory authorities and in furtherance of the Commission’s core mission of ensuring reliable, safe, secure and economically efficient energy for consumers at a reasonable cost.

10. The Commission has further determined, based on its independent policy judgment, that the sunset rule adopted herein is appropriate. Regulatory housekeeping, including streamlining and updating our regulations, helps ensure that they align with our statutory mandates, thus alleviating regulatory burdens and allowing regulated industries to focus more deliberately on the types of high-value projects that will augment and strengthen the Nation’s energy supplies. Additional justifications for sunseting each particular regulation are provided below.

A. 18 CFR 2.15: Specified Reasonable Rate of Return [for Computing Amortization Reserves for Hydroelectric Project Licenses]

11. The regulation in 18 CFR 2.15 specifies a method for calculating return on equity for computing amortization reserves for hydroelectric project licenses that is no longer used and imposes duplicative requirements on entities that may have to maintain two versions of calculations to comply with this outdated regulation.

B. 18 CFR 2.18: Phased Electric Rate Increase Filings

12. The regulation in 18 CFR 2.18 is not needed because the Commission no longer receives phased rate increase filings, and suspension decisions remain matters within the Commission’s discretion under 18 CFR 2.4(g).

C. 18 CFR 2.21: Regional Transmission Groups

13. The regulation in 18 CFR 2.21 is not needed because Regional Transmission Organizations and Independent System Operators have replaced Regional Transmission Groups and therefore the regulation is outdated.

D. 18 CFR 2.25: Ratemaking Treatment of the Cost of Emissions Allowances in Coordination Transactions

14. The regulation in 18 CFR 2.25 is not needed given the transition to market-based rates for most generation

² 90 FR 15643 (Apr. 9, 2025).

³ E.O. 14270 also directs the Commission, to the maximum extent consistent with law, to include a conditional sunset date in new regulations that would be covered by the E.O. Thus, the Commission will include a conditional sunset date in future regulations to which the E.O. would apply, consistent with the approach taken herein.

⁴ For purposes of implementing this E.O., regulations that provide standards and requirements for Commission license and permit holders or applicants constitute the Commission’s “regulatory permitting regime.”

facilities, and that these costs remain recoverable.

E. 18 CFR 2.26: Policies Concerning Review of Applications Under Section 203

15. The regulation in 18 CFR 2.26 is not needed because it is redundant to 18 CFR part 33 and generally less detailed.

F. 18 CFR 2.27: Availability of North American Energy Standards Board (NAESB) Smart Grid Standards as Non-Mandatory Guidance

16. The regulation in 18 CFR 2.27 is not needed given that these NAESB smart grid standards are not mandatory.

G. 18 CFR 2.78: Utilization and Conservation of Natural Resources—Natural Gas

17. The regulation in 18 CFR 2.78 is outdated because this was used before natural gas pipelines were functionally unbundled.

H. 18 CFR 2.103: Statement of Policy Respecting Take or Pay Provisions in Gas Purchase Contracts

18. The regulation in 18 CFR 2.103 is outdated because this was used before natural gas pipelines were functionally unbundled. This function is now covered by 18 CFR 284.7(e).

I. 18 CFR 2.105: Gas Supply Charges

19. The regulation in 18 CFR 2.105 is outdated because this was used before natural gas pipelines were unbundled.

J. 18 CFR 5.31: Transition Provision

20. The regulation in 18 CFR 5.31 was only relevant between the date of the rulemaking in 2003 and the effective date of the rule in July 2005. Therefore, this regulation is now obsolete.

K. 18 CFR 131.50: Reports of Proposals Received

21. The regulation in 18 CFR 131.50 is not needed because the regulation's requirement that applicants file certain information is routinely waived for applicants.

L. 18 CFR 131.52: Certificate of Concurrence

22. The regulation in 18 CFR 131.52 is not needed because the sample form of certificate is informational rather than a requirement. In lieu of this regulation, the Commission will post the sample form on the Commission's website.

M. 18 CFR 156.5(a)(9): Exhibit H—Total Gas Supply Data

23. The regulation in 18 CFR 156.5(a)(9) is obsolete because, now that natural gas pipelines are functionally unbundled, the Commission no longer

considers this information in connection with an application for orders under NGA section 7(a).

N. 18 CFR 157.14(a)(11): Exhibit H—Total Gas Supply Data

24. The regulation in 18 CFR 157.14(a)(11) is obsolete because, now that natural gas pipelines are functionally unbundled, the Commission no longer considers this information.

O. 18 CFR 157.202(b)(9): Right-of-Way Grantor Defines “Right of Way Grantor”

25. This regulation is no longer needed because the term “right of way grantor” is no longer used in the Commission's regulations, other than in 18 CFR 375.307(a)(8)(x) (Delegations to the Director of the Office of Energy Market Regulation), and has a commonly understood meaning.

P. 18 CFR 157.218: Changes in Customer Name. Requires a Certificate Holder To Submit Any Customer Name Changes Each Year in Its Annual Report

26. The regulation in 18 CFR 157.218 is not needed because it is redundant, as this information is already required to be included under 18 CFR 154.111 (Index of customer).

Q. 18 CFR 287.101: Rules Generally Applicable to Powerplant and Industrial Fuel Use

27. The regulation in 18 CFR 287.101 is no longer needed because most of the PIFUA, under which this regulation was issued, was repealed in 1987.

R. 18 CFR 375.104 (Transfer of Proceedings From Other Agencies to the Commission) and 18 CFR 375.105 (Filings)

28. The regulations in 18 CFR 375.104 and 375.105 are no longer needed because they are transition regulations promulgated after the passage of the 1977 Department of Energy Organization Act, which created both the Commission and the U.S. Department of Energy. Since that transition has been completed, these regulations are no longer needed.

S. 18 CFR 385.101(b)(3): Rule 101 Exceptions

29. This regulation states that, if any provision of this part is inconsistent with any provision of 49 CFR chapter X that is not otherwise replaced by this part or Commission rule or order, the provision of this part is inapplicable and the provision of 49 CFR chapter X governs to the extent of the inconsistency. The regulation in 18 CFR 385.101(b)(3) is no longer needed

because the Commission has promulgated its own oil pipeline regulations and does not rely on “49 CFR chapter X” anymore.

T. 18 CFR 385.504(b)(19): Duties and Powers—Rule on Motions for Reconsideration of an Initial Decision as Provided in Rule 717

30. The regulation in 18 CFR 385.504(b)(19) is no longer needed because it empowers presiding judges to rule on motions for reconsideration of an initial decision under Rule 717, but Rule 717 has since been removed.

U. 18 CFR 385.602(c)(1)(ii): Submission of Settlement Offers (Rule 602), Contents of Offer

31. The regulation in 18 CFR 385.602(c)(1)(ii) is no longer needed. The regulation requires offers of settlement to include explanatory statements, which is largely duplicative of the settlement agreement itself and thus has limited utility for the settlement review process.

V. 18 CFR 385.902(b) and (c): Interim Remedial Order for Immediate Compliance, Order of Disallowance

32. The regulations in 18 CFR 385.902(b) and (c) are no longer needed because they reference orders that were issued pursuant to two regulations that have since been repealed.

W. 18 CFR 385.904(b): Commencement of Proceeding (Rule 904)

33. The regulation in 18 CFR 385.904(b) is no longer needed because it references interim remedial orders, issued pursuant to 10 CFR 205.199D. That regulation has been removed; orders of this type are therefore no longer issued.

X. 18 CFR 385.915: Off-the-Record Communications (Rule 915)

34. The regulation in 18 CFR 385.915 is no longer needed. This rule governs off-the-record communications, and it states that separate Rule 2201 (Rules governing off-the-record communications) applies to certain types of proceedings. This regulation is duplicative and unnecessary because Rule 2201 already states that it applies to “all contested on-the-record proceedings” at the Commission.

Y. 18 CFR 385.1012: Off-the-Record Communications (Rule 1012)

35. The rule in 18 CFR 385.1012 is not needed. This rule states that Rule 2201 applies to Commission review of adjustment request denials. Because Rule 2201 already states that it applies

to “all contested on-the-record proceedings” at the Commission, this additional rule is redundant and unnecessary.

Z. Sunsetting Obsolete Filing Requirements

36. As part of its effort under the E.O., the Commission reviewed its regulations to identify obsolete procedural and filing requirements, such as “form of notice” or required paper filings, all of which are no longer in general use at the Commission. Pursuant to that review, the Commission inserts a conditional sunset date into the following ten regulations:

i. 18 CFR 36.1(b)(1): Notice provisions applicable to applications for transmission services under section 211 of the Federal Power Act.

ii. 18 CFR 153.20(c): Where to file paper copies of export/import applications.

iii. 18 CFR 157.6(a)(2): Requires providing a paper copy of maps and diagrams.

iv. 18 CFR 157.6(b)(7): Requires applicants to provide a form of notice for the **Federal Register**.

v. 18 CFR 157.205(b)(5): A form of notice of the application suitable for publication in the **Federal Register** in accordance with the specifications in § 385.203(d).

vi. 18 CFR 300.10(a)(1): Application for confirmation and approval of the Rates of Federal Power Marketing Administrations.

37. The phrases “a form of notice suitable for publication in the **Federal Register** in accordance with the specifications in § 385.203(d) of this chapter,” and “The form of notice shall be on electronic media as specified by the Secretary.” are no longer needed.

vii. 18 CFR 366.4(b)(1), (3) and (c)(1), (2); FERC–65A, exemption notification, and FERC–65B, waiver notification.

38. The following subsections of 18 CFR 366.4(b) and (c) are no longer needed: (a) 366.4(b)(1)—notice requirements for “persons who file FERC–65A”; (b) 366.4(b)(3)—notice requirements for “persons that file a petition”; (c) 366.4(c)(1)—notice requirements for “persons who file FERC–65B”; and (d) 366.4(c)(2)—notice requirements for “persons that file a petition.”

viii. 18 CFR 366.7(a), (b): Procedures for obtaining exempt wholesale generator and foreign utility company status.

39. The following subsections of 18 CFR 366.7(a) and (b) are no longer needed: (a) 366.7(a)—form of notice required for “Persons that file a notice of self-certification”; and (b) 366.7(b)—

form of notice required for “Persons that file petitions.”

ix. 18 CFR 385.203(d): Content of pleadings and tariff or rate filings (Rule 203), Form of notice.

x. 18 CFR 385.206(b)(10): Complaints (Rule 206), Form of notice.

AA. Subpart K—Petitions for Adjustments Under the Natural Gas Policy Act (NGPA)

40. The 17 rules that comprise subpart K (18 CFR 385.1101 through 385.1117) relate in their entirety to the adjustment provisions of the NGPA (*i.e.*, sections 101 through 110 of the NGPA), all of which have been repealed. Accordingly, each of these regulations is obsolete.

i. 18 CFR 385.1101 Applicability (Rule 1101).

ii. 18 CFR 385.1102 Definitions (Rule 1102).

iii. 18 CFR 385.1103 Commencement of proceeding (Rule 1103).

iv. 18 CFR 385.1104 Initial petition (Rule 1104).

v. 18 CFR 385.1105 Intervention (Rule 1105).

vi. 18 CFR 385.1106 Other filings (Rule 1106).

vii. 18 CFR 385.1107 Evaluations (Rule 1107).

viii. 18 CFR 385.1108 Criteria (Rule 1108).

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xiv. 18 CFR 385.1114 Motions (Rule 1114).

xv. 18 CFR 385.1115 Procedural rulings (Rule 1115).

xvi. 18 CFR 385.1116 Appeals (Rule 1116).

xvii. 18 CFR 385.1117 Petition for adjustment treated as request for interpretation (Rule 1117).

IV. Information Collection Statement

41. Information collection requirements are subject to review by the Office of Management and Budget (OMB) under section 3507(d) of the Paperwork Reduction Act of 1995. OMB’s regulations require approval of certain information collection requirements imposed by agency rules. Upon approval of a collection of information, OMB will assign an OMB control number and expiration date. Respondents subject to the filing requirements will not be penalized for

failing to respond to these collections of information unless the collections of information display a valid OMB control number.

42. This direct final rule does not implement any changes to the identified collections. In the event of any resultant regulatory changes that affect information collections, the Commission will implement changes to the collections through regular information collection processes, which include public comment opportunities.

V. Environmental Analysis

43. The Commission is required to prepare an Environmental Assessment or an Environmental Impact Statement for any action that may have a significant adverse effect on the human environment.⁵ The Commission has categorically excluded certain actions from this requirement as not having a significant effect on the human environment. Included in the exclusion are rules that are clarifying, corrective, or procedural or that do not substantially change the effect of the regulations being amended.⁶ The actions herein fall within this categorical exclusion in the Commission’s regulations. To the extent that the amendments to any of the regulations herein (or future rescissions of the regulations) are not procedural in nature, the amendments may fall within other categorical exclusions in the Commission’s regulations.⁷ Therefore, no Environmental Assessment or Environmental Impact Statement is required in connection with this rule.

VI. Regulatory Flexibility Act

44. The Regulatory Flexibility Act of 1980 (RFA)⁸ generally requires a description and analysis of final rules that will have significant economic impact on a substantial number of small entities. The Commission is not required to perform this sort of analysis if the activities within the final rule would not have such an effect. This rulemaking would add a “sunsetting provision” to certain regulations, many of which are outdated seldomly used, or duplicative with other regulations, and therefore the impact is minimal.

45. Accordingly, pursuant to section 605(b) of the RFA,⁹ the Commission certifies that the regulations herein should not have a significant economic

⁵ *Reguls. Implementing the Nat’l Env’t Pol’y Act*, Order No. 486, 52 FR 47897 (Dec. 17, 1987), FERC Stats. & Regs. ¶ 30,783 (1987) (cross-referenced at 41 FERC ¶ 61,284).

⁶ 18 CFR 380.4(a)(2)(ii).

⁷ See 18 CFR 380.4(a).

⁸ 5 U.S.C. 601–612.

⁹ 5 U.S.C. 605(b).

impact on a substantial number of small entities.

VII. Regulatory Planning and Review

46. E.O. 12866 (Regulatory Planning and Review), as amended by E.O. 14215 (Ensuring Accountability for All Agencies) and affirmed by E.O. 13563 (Improving Regulation and Regulatory Review), directs agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying costs and benefits, reducing costs, harmonizing rules, and promoting flexibility. The Office of Information and Regulatory Affairs (OIRA) has determined this regulatory action is a “significant regulatory action,” under section 3(f) of E.O. 12866, as amended, though not economically significant under section 3(f)(1). Accordingly, OIRA has reviewed this regulatory action for compliance with the analytical requirements of E.O. 12866. In general, this regulatory action is intended to simplify and improve stakeholders’ interactions with the Commission by eliminating outdated, redundant, or unnecessarily burdensome requirements in the Commission’s existing regulations. In addition, this final rule is considered a deregulatory action under E.O. 14192 (Unleashing Prosperity Through Deregulation).

VIII. Document Availability

47. 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>).

48. 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.

49. 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.

IX. Effective Date and Congressional Notification

50. These regulations are effective December 5, 2025. The Commission has determined, with the concurrence of the Administrator of OIRA, that this rule does not meet the criteria at 5 U.S.C. 804(2).

List of Subjects

18 CFR Part 2

Electric utilities, Natural gas, Pipelines, Reporting and recordkeeping requirements.

18 CFR Part 5

Administrative practice and procedure, Electric power, Reporting and recordkeeping requirements.

18 CFR Part 36

Administrative practice and procedure, Electric power.

18 CFR Part 131

Electric power.

18 CFR Part 153

Exports, Imports, Natural gas, Reporting and recordkeeping requirements.

18 CFR Part 156

Administrative practice and procedure, Natural gas, Reporting and recordkeeping requirements.

18 CFR Part 157

Administrative practice and procedure, Natural gas, Reporting and recordkeeping requirements.

18 CFR Part 287

Electric power plants, Energy conservation.

18 CFR Part 300

Administrative practice and procedure, Electric power rates, Reporting and recordkeeping requirements.

18 CFR Part 366

Electric power, Natural gas, Reporting and recordkeeping requirements, Utilities, Water supply.

18 CFR Part 375

Authority delegations (Government agencies), Seals and insignia, Sunshine Act.

18 CFR Part 385

Administrative practice and procedure, Electric power, Penalties, Pipelines, Reporting and recordkeeping requirements.

By the Commission.

Issued: October 1, 2025.

Debbie-Anne A. Reese,
Secretary.

In consideration of the foregoing, the Commission amends parts 2, 5, 36, 131, 153, 156, 157, 287, 300, 366, 375, and 385, chapter I, title 18, Code of Federal Regulations, as follows:

PART 2—GENERAL POLICY AND INTERPRETATIONS

■ 1. The authority citation for part 2 continues to read as follows:

Authority: 5 U.S.C. 601; 15 U.S.C. 717–717z, 3301–3432; 16 U.S.C. 792–828c, 2601–2645; 42 U.S.C. 4321–4370h, 7101–7352.

■ 2. In § 2.15, add paragraph (f) to read as follows:

§ 2.15 Specified reasonable rate of return.

* * * * *

(f) This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this section accordingly.

■ 3. In § 2.18, add paragraph (c) to read as follows:

§ 2.18 Phased electric rate increase filings.

* * * * *

(c) This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this section accordingly.

■ 4. In § 2.21, add paragraph (e) to read as follows:

§ 2.21 Regional Transmission Groups.

* * * * *

(e) *Sunsetting provisions.* This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The

Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this section accordingly.

■ 5. In § 2.25, add paragraph (g) to read as follows:

§ 2.25 Ratemaking treatment of the cost of emissions allowances in coordination transactions.

* * * * *

(g) *Sunsetting provisions.* This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this section accordingly.

■ 6. In § 2.26, add paragraph (g) to read as follows:

§ 2.26 Policies concerning review of applications under section 203.

* * * * *

(g) *Sunsetting provisions.* This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this section accordingly.

■ 7. In § 2.27, add paragraph (g) to read as follows:

§ 2.27 Availability of North American Energy Standards Board (NAESB) Smart Grid Standards as non-mandatory guidance.

* * * * *

(g) This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this section accordingly.

■ 8. In § 2.78:

- a. Add paragraph (d); and
- b. Remove the parenthetical authority citation at the end of the section.

The addition reads as follows:

§ 2.78 Utilization and conservation of natural resources—natural gas.

* * * * *

(d) This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this section accordingly.

■ 9. In § 2.103:

- a. Add paragraph (c); and
- b. Remove the parenthetical authority citation at the end of the section.

The addition reads as follows:

§ 2.103 Statement of policy respecting take or pay provisions in gas purchase contracts.

* * * * *

(c) This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this section accordingly.

■ 10. In § 2.105, add paragraph (e) to read as follows:

§ 2.105 Gas supply charges.

* * * * *

(e) This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this section accordingly.

PART 5—INTEGRATED LICENSE APPLICATION PROCESS

■ 11. The authority citation for part 5 continues to read as follows:

Authority: 16 U.S.C. 792–828c, 2601–2645; 42 U.S.C. 7101–7352.

■ 12. In § 5.31, add two sentences at the end of the paragraph to read as follows:

§ 5.31 Transition provision.

* * * This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this section accordingly.

PART 36—RULES CONCERNING APPLICATIONS FOR TRANSMISSION SERVICES UNDER SECTION 211 OF THE FEDERAL POWER ACT

■ 13. The authority citation for part 36 continues to read as follows:

Authority: 5 U.S.C. 551–557; 16 U.S.C. 791a–825r; 31 U.S.C. 9701; 42 U.S.C. 7107–7352.

■ 14. In § 36.1, add two sentences at the end of paragraph (b)(1) to read as follows:

§ 36.1 Notice provisions applicable to applications for transmission services under section 211 of the Federal Power Act.

* * * * *

(b) * * *

(1) * * * This paragraph (b)(1) shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this paragraph (b)(1) and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this paragraph (b)(1) accordingly.

* * * * *

PART 131—FORMS

■ 15. The authority citation for part 131 continues to read as follows:

Authority: 16 U.S.C. 792–828c, 2601–2645; 31 U.S.C. 9701; 42 U.S.C. 7101–7352.

■ 16. In § 131.50, add paragraph (m) to read as follows:

§ 131.50 Reports of proposals received.

* * * * *

(m) This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and

considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this section accordingly.

- 17. In § 131.52, add a note at the end of the section to read as follows:

§ 131.52 Certificate of concurrence.

* * * * *

Note 1 to § 131.52: This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this section accordingly.

PART 153—APPLICATIONS FOR AUTHORIZATION TO CONSTRUCT, OPERATE, OR MODIFY FACILITIES USED FOR THE EXPORT OR IMPORT OF NATURAL GAS

- 18. The authority citation for part 153 continues to read as follows:

Authority: 15 U.S.C. 717b, 717o; E.O. 10485, 3 CFR, 1949–1953 Comp., p. 970, as amended by E.O. 12038, 3 CFR, 1978 Comp., p. 136; DOE Delegation Order No. S1–DEL–FERC–2006 (May 16, 2006).

- 19. In § 153.20, add two sentences at the end of paragraph (c) to read as follows:

§ 153.20 General rule.

* * * * *

(c) * * * This paragraph (c) shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this paragraph (c) and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this paragraph (c) accordingly.

PART 156—APPLICATIONS FOR ORDERS UNDER SECTION 7(a) OF THE NATURAL GAS ACT

- 20. The authority citation for part 156 continues to read as follows:

Authority: 52 Stat. 824, 829, 830; 56 Stat. 83, 84; 15 U.S.C. 717f, 717f(a), 717n, 717o.

- 21. In § 156.5, add paragraph (a)(9)(vii) to read as follows:

§ 156.5 Exhibits.

(a) * * *

(9) * * *

(vii) This paragraph (a)(9) shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this paragraph (a)(9) and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this paragraph (a)(9) accordingly.

* * * * *

PART 157—APPLICATIONS FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY AND FOR ORDERS PERMITTING AND APPROVING ABANDONMENT UNDER SECTION 7 OF THE NATURAL GAS ACT

- 22. The authority citation for part 157 continues to read as follows:

Authority: 15 U.S.C. 717–717w, 3301–3432; 42 U.S.C. 7101–7352.

- 23. In § 157.6:

- a. Add two sentences at the end of paragraph (a)(2); and
- b. Add two sentences at the end of paragraph (b)(7).

The additions read as follows:

§ 157.6 Applications; general requirements.

(a) * * *

(2) * * * This paragraph (a)(2) shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this paragraph (a)(2) and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this paragraph (a)(2) accordingly.

* * * * *

(b) * * *

(7) * * * This paragraph (b)(7) shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this paragraph (b)(7) and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this paragraph (b)(7) accordingly.

* * * * *

- 24. In § 157.14:

- a. Add paragraph (a)(11)(iii); and
- b. Remove the parenthetical authority citation at the end of the section.

The addition reads as follows:

§ 157.14 Exhibits.

(a) * * *

(11) * * *

(iii) This paragraph (a)(11) shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this paragraph (a)(11) and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this paragraph (a)(11) accordingly.

* * * * *

- 25. In § 157.202:

- a. Remove the semicolon at the end of paragraphs (b)(2)(ii)(C), (F), and (G) and add a period in its place;
- b. Add paragraph (b)(2)(ii)(H); and
- c. Revise paragraph (b)(9).

The addition and revision read as follows:

§ 157.202 Definitions.

* * * * *

(b) * * *

(2) * * *

(ii) * * *

(H) This paragraph (b)(2)(ii) shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this paragraph (b)(2)(ii) and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this paragraph (b)(2)(ii) accordingly.

* * * * *

(9) *Right-of-way grantor* means:

- (i) A person who grants a right-of-way easement to the certificate holder; or
- (ii) Any successor to an interest which is subject to the easement.

- (iii) This paragraph (b)(9) shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this paragraph (b)(9) and considering that input. The Commission will publish a document in the **Federal Register** announcing its

determination and revising or removing this paragraph (b)(9) accordingly.

* * * * *

■ 26. In § 157.205, revise paragraph (b)(5) to read as follows:

§ 157.205 Notice procedure.

* * * * *

(b) * * *

(5) A form of notice of the application suitable for publication in the Federal Register in accordance with the specifications in § 385.203(d) of this chapter. This paragraph (b)(5) shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this paragraph (b)(5) and considering that input. The Commission will publish a document in the Federal Register announcing its determination and revising or removing this paragraph (b)(5) accordingly; and

* * * * *

■ 27. In § 157.218, add paragraph (c) to read as follows:

§ 157.218 Changes in Customer Name.

* * * * *

(c) Sunsetting provisions. This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the Federal Register announcing its determination and revising or removing this section accordingly.

PART 287—RULES GENERALLY APPLICABLE TO POWERPLANT AND INDUSTRIAL FUEL USE

■ 28. The authority citation for part 287 continues to read as follows:

Authority: Department of Energy Organization Act, 42 U.S.C. 7107 et seq.; Powerplant and Industrial Fuel Use Act of 1978, Pub. L. 95–620.

■ 29. In § 287.101, add paragraph (e) to read as follows:

§ 287.101 Determination of powerplant design capacity.

* * * * *

(e) Sunsetting provisions. This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering

the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the Federal Register announcing its determination and revising or removing this section accordingly.

PART 300—CONFIRMATION AND APPROVAL OF THE RATES OF FEDERAL POWER MARKETING ADMINISTRATIONS

■ 30. The authority citation for part 300 continues to read as follows:

Authority: 16 U.S.C. 825s, 832–8321, 838–838k, 839–839h; 42 U.S.C. 7101–7352; 43 U.S.C. 485–485k.

■ 31. In § 300.10, revise paragraph (a)(1) to read as follows:

§ 300.10 Application for confirmation and approval.

(a) * * *

(1) Contents of filing. Any application under this subpart for confirmation and approval of rate schedules must include, as described in this section:

- (i)(A) A letter of request for rate approval;
(B) A form of notice suitable for publication in the Federal Register in accordance with the specifications in § 385.203(d) of this chapter;
(C) The rate schedule;
(D) A statement of revenue and related costs;
(E) The order, if any, placing the rates into effect on an interim basis;
(F) The Administrator’s Record of Decision or explanation of the rate development process;
(G) Supporting documents;
(H) A certification; and
(I) Technical supporting information and analysis.
(ii) The form of notice shall be on electronic media as specified by the Secretary.

(iii) Paragraphs (a)(1)(i)(B) and (a)(1)(ii) of this section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of paragraphs (a)(1)(i)(B) and (a)(1)(ii) and considering that input. The Commission will publish a document in the Federal Register announcing its determination and revising or removing paragraphs (a)(1)(i)(B) and (a)(1)(ii) accordingly.

* * * * *

PART 366—BOOKS AND RECORDS

■ 32. The authority citation for part 366 continues to read as follows:

Authority: 15 U.S.C. 717 et seq., 16 U.S.C. 791a et seq., and 42 U.S.C. 16451–16463.

■ 33. In § 366.4, revise paragraphs (b)(1) and (3) and (c) to read as follows:

§ 366.4 FERC–65, notification of holding company status, FERC–65A, exemption notification, and FERC–65B, waiver notification.

* * * * *

(b) * * *

(1)(i) Persons who, pursuant to § 366.3(b)(2), seek exemption from the requirements of § 366.2 and the accounting, record-retention, and reporting requirements of §§ 366.21, 366.22, and 366.23, may seek such exemption by filing FERC–65A (exemption notification); FERC–65A must be subscribed, consistent with § 385.2005(a) of this chapter, but need not be verified. These filings will be noticed in the Federal Register.

(ii) Persons who file FERC–65A must include a form of notice suitable for publication in the Federal Register in accordance with the specifications in § 385.203(d) of this chapter.

(iii) Persons who file FERC–65A in good faith shall be deemed to have a temporary exemption upon filing.

(iv) If the Commission has taken no action within 60 days after the date of filing FERC–65A, the exemption shall be deemed to have been granted. The Commission may toll the 60-day period to request additional information or for further consideration of the request; in such case, the temporary exemption will remain in effect until such time as the Commission has determined whether to grant or deny the exemption. Authority to toll the 60-day period is delegated to the Secretary or the Secretary’s designee.

(v) Paragraph (b)(1)(ii) of this section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of paragraph (b)(1)(ii) and considering that input. The Commission will publish a document in the Federal Register announcing its determination and revising or removing paragraph (b)(1)(ii) accordingly.

* * * * *

(3)(i) Persons that do not qualify for exemption pursuant to § 366.3(b)(2) may seek an individual exemption from this subchapter. They may not do so by means of filing FERC–65A and instead must file a petition for declaratory order as required under § 366.3(d). Such petitions will be noticed in the Federal Register.

(ii) Persons that file a petition must include a form of notice suitable for publication in the **Federal Register** in accordance with the specifications in § 385.203(d) of this chapter.

(iii) No temporary exemption will attach upon filing and the requested exemption will be effective only if approved by the Commission.

(iv) Persons may also seek exemptions for classes of transactions by filing a petition for declaratory order pursuant to § 385.207(a) of this chapter justifying the request for exemption. Any person seeking such an exemption shall bear the burden of demonstrating that such exemption is warranted.

(v) Paragraph (b)(3)(ii) of this section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of paragraph (b)(3)(ii) and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing paragraph (b)(3)(ii) accordingly.

(c) *FERC-65B (waiver notification) and petitions for waiver.* (1)(i) Persons who, pursuant to § 366.3(c), seek waiver of the accounting, record-retention, and reporting requirements of §§ 366.21, 366.22, and 366.23, may seek such waiver by filing FERC-65B (waiver notification); FERC-65B must be subscribed, consistent with § 385.2005(a) of this chapter, but need not be verified. FERC-65B will be noticed in the **Federal Register**.

(ii) Persons who file FERC-65B must include a form of notice suitable for publication in the **Federal Register** in accordance with the specifications in § 385.203(d) of this chapter.

(iii) Persons who file FERC-65B in good faith shall be deemed to have a temporary exemption upon filing.

(iv) If the Commission has taken no action within 60 days after the date of filing of FERC-65B, the waiver shall be deemed to have been granted. The Commission may toll the 60-day period to request additional information or for further consideration of the request; in such case, the temporary waiver will remain in effect until such time as the Commission has determined whether to grant or deny the waiver. Authority to toll the 60-day period is delegated to the Secretary or the Secretary's designee.

(v) Paragraph (c)(1)(ii) of this section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more

than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of paragraph (c)(1)(ii) and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing paragraph (c)(1)(ii) accordingly.

(2)(i) Persons that do not qualify for waiver pursuant to § 366.3(c) may seek an individual waiver from this subchapter. They may not do so by means of filing FERC-65B and instead must file a petition for declaratory order as required under § 366.3(d). Such petitions will be noticed in the **Federal Register**.

(ii) Persons that file a petition must include a form of notice suitable for publication in the **Federal Register** in accordance with the specifications in § 385.203(d) of this chapter.

(iii) No temporary waiver will attach upon filing and the requested exemption will be effective only if approved by the Commission.

(iv) Persons may also seek waivers for classes of transactions by filing a petition for declaratory order pursuant to § 385.207(a) of this chapter justifying the request for waiver. Any person seeking such waiver shall bear the burden of demonstrating that such waiver is warranted.

(v) Paragraph (c)(2)(ii) of this section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of paragraph (c)(2)(ii) and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing paragraph (c)(2)(ii) accordingly.

* * * * *

■ 34. In § 366.7, revise paragraphs (a) and (b) to read as follows:

§ 366.7 Procedures for obtaining exempt wholesale generator and foreign utility company status.

(a) *Self-certification notice procedure.* (1) An exempt wholesale generator or a foreign utility company, or its representative, may file with the Commission a notice of self-certification demonstrating that it satisfies the definition of exempt wholesale generator or foreign utility company (including stating the location of its generation); such notices of self-certification must be subscribed, consistent with § 385.2005(a) of this chapter, but need not be verified. In the

case of exempt wholesale generators, the person filing a notice of self-certification under this section must also file a copy of the notice of self-certification with the state regulatory authority of the state in which the facility is located, and that person must also represent to this Commission in its submittal with this Commission that it has filed a copy of the notice of self-certification with the state regulatory authority of the state in which the facility is located. Notice of the filing of a notice of self-certification will be published in the **Federal Register**.

(2) Persons that file a notice of self-certification must include a form of notice suitable for publication in the **Federal Register** in accordance with the specifications in § 385.203(d) of this chapter.

(3) A person filing a notice of self-certification in good faith will be deemed to have temporary exempt wholesale generator or foreign utility company status.

(4) If the Commission takes no action within 60 days from the date of filing of the notice of self-certification, the self-certification shall be deemed to have been granted; however, consistent with section 32(c) of the Public Utility Holding Company Act of 1935 (15 U.S.C. 79z-5a (c)) any self-certification of an exempt wholesale generator may not become effective until the relevant state commissions have made the determinations provided for therein if such determinations are necessary (if such determinations are not necessary, the notice of self-certification should state so). The Commission may toll the 60-day period to request additional information, or for further consideration of the request; in such cases, the person's exempt wholesale generator or foreign utility company status will remain temporary until such time as the Commission has determined whether to grant or deny exempt wholesale generator or foreign utility company status; however, consistent with section 32(c) of the Public Utility Holding Company Act of 1935 (15 U.S.C. 79z-5a (c)), any self-certification of an exempt wholesale generator may not become effective until the relevant state commissions have made the determinations provided for therein if such determinations are necessary (if such determinations are not necessary, the notice of self-certification should state so). Authority to toll the 60-day period is delegated to the Secretary or the Secretary's designee, and authority to act on uncontested notices of self-certification is delegated to the General Counsel or the General Counsel's designee.

(5) Paragraph (a)(2) of this section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of paragraph (a)(2) and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing paragraph (a)(2) accordingly.

(b) *Optional procedure for Commission determination of exempt wholesale generator status or foreign utility company status.* (1) A person may file for a Commission determination of exempt wholesale generator status or foreign utility company status under § 366.1 by filing a petition for declaratory order pursuant to § 385.207(a) of this chapter, justifying the request for such status; however, consistent with section 32(c) of the Public Utility Holding Company Act of 1935 (15 U.S.C. 79z-5a (c)), a Commission determination of exempt wholesale generator status may not become effective until the relevant state commissions have made the determinations provided for therein if such determinations are necessary. (If such determinations are not necessary, the petition for declaratory order should state so.)

(2) Persons that file petitions must include a form of notice suitable for publication in the **Federal Register** in accordance with the specifications in § 385.203(d) of this chapter.

(3) Paragraph (b)(2) of this section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of paragraph (b)(2) and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing paragraph (b)(2) accordingly.

* * * * *
PART 375—THE COMMISSION

■ 35. The authority citation for part 375 continues to read as follows:

Authority: 5 U.S.C. 551-557; 15 U.S.C. 717-717w, 3301-3432; 16 U.S.C. 791-825r, 2601-2645; 42 U.S.C. 7101-7352.

■ 36. In § 375.104:
■ a. Remove the last sentence of paragraph (a);

■ b. Add paragraph (c); and
■ b. Remove the appendix to the section and the parenthetical authority following the appendix.

The addition reads as follows:

§ 375.104 Transfer of proceedings from other agencies to the Commission.

* * * * *
(c) *Sunsetting provisions.* This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this section accordingly.

■ 37. In § 375.105, add paragraph (d) to read as follows:

§ 375.105 Filings.

* * * * *
(d) *Sunsetting provisions.* This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this section accordingly.

PART 385—RULES OF PRACTICE AND PROCEDURE

■ 38. The authority citation for part 385 continues to read as follows:

Authority: 5 U.S.C. 551-557; 15 U.S.C. 717-717w, 3301-3432; 16 U.S.C. 791a-825v, 2601-2645; 28 U.S.C. 2461; 31 U.S.C. 3701, 9701; 42 U.S.C. 7101-7352, 16441, 16451-16463; 49 U.S.C. 60502; 49 App. U.S.C. 1-85 (1988); 28 U.S.C. 2461 note (1990); 28 U.S.C. 2461 note (2015).

■ 39. In § 385.101, add two sentences at the end of paragraph (b)(3) to read as follows:

§ 385.101 Applicability (Rule 101).

* * * * *
(b) * * *
(3) * * * This paragraph (b)(3) shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this paragraph (b)(3) and considering that

input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this paragraph (b)(3) accordingly.

* * * * *

■ 40. In § 385.203, add two sentences at the end of paragraph (d) to read as follows:

§ 385.203 Content of pleadings and tariff or rate filings (Rule 203).

* * * * *

(d) * * * This paragraph (d) shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this paragraph (d) and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this paragraph (d) accordingly.

■ 41. In § 385.206, add two sentences at the end of paragraph (b)(10) to read as follows:

§ 385.206 Complaints (Rule 206).

* * * * *

(b) * * *
(10) * * * This paragraph (b)(10) shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this paragraph (b)(10) and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this paragraph (b)(10) accordingly.

* * * * *

§ 385.504 [Amended]

■ 42. In § 385.504, remove and reserve paragraph (b)(19).

■ 43. In § 385.602, revise paragraph (c)(1)(ii) to read as follows:

§ 385.602 Submission of settlement offers (Rule 602).

* * * * *

(c) * * *
(1) * * *
(ii) A separate explanatory statement. This paragraph (c)(1)(ii) shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an

opportunity to provide input on the costs and benefits of this paragraph (c)(1)(ii) and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this paragraph (c)(1)(ii) accordingly; and

* * * * *

■ 44. Revise § 385.902 to read as follows:

§ 385.902 Definitions (Rule 902).

For purposes of this subpart:

(a) *Contested order* means the remedial order being contested in proceeding pursuant to this subpart;

(b) *Participant* means, as appropriate, the Secretary, the petitioner, and intervenors;

(c) *Petitioner* means a person who has received a remedial order who notifies the Secretary that he intends to contest the order;

(d) *Remedial order* means a remedial order issued pursuant to 10 CFR 205.199B (remedial orders); and

(e) *Secretary* means the Secretary of Energy or his delegate.

§ 385.904 [Amended]

■ 45. In § 385.904:

■ a. Remove the text “Except as provided in paragraph (b) of this section, the” in paragraph (a) and add the text “The” in its place; and

■ b. Remove and reserve paragraph (b).

■ 46. In § 385.915:

■ a. Remove the text “, an interim remedial order for immediate compliance under 10 CFR 205.199D, or a proposed order of disallowance under 10 CFR 205.199E”; and

■ b. Add two sentences at the end of the paragraph.

The addition reads as follows:

§ 385.915 Off-the-record communications (Rule 915).

* * * This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this section accordingly.

■ 47. In § 385.1012, add two sentences at the end of the paragraph to read as follows:

§ 385.1012 Off-the-record communications (Rule 1012).

* * * This section shall cease to have effect on December 5, 2026, unless the

Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this section accordingly.

■ 48. In § 385.1101, add paragraph (d) to read as follows:

§ 385.1101 Applicability (Rule 1101).

* * * * *

(d) *Sunsetting provisions*. This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this section accordingly.

■ 49. In § 385.1102, add paragraph (g) to read as follows:

§ 385.1102 Definitions (Rule 1102).

* * * * *

(g) This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this section accordingly.

■ 50. In § 385.1103, add two sentences at the end of the paragraph to read as follows:

§ 385.1103 Commencement of proceeding (Rule 1103).

* * * This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this section accordingly.

■ 51. In § 385.1104, add paragraph (c) to read as follows:

§ 385.1104 Initial petition (Rule 1104).

* * * * *

(c) *Sunsetting provisions*. This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this section accordingly.

■ 52. In § 385.1105, add paragraph (c) to read as follows:

§ 385.1105 Intervention (Rule 1105).

* * * * *

(c) This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this section accordingly.

■ 53. In § 385.1106, add paragraph (c) to read as follows:

§ 385.1106 Other filings (Rule 1106).

* * * * *

(c) *Sunsetting provisions*. This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this section accordingly.

■ 54. In § 385.1107, add paragraph (c) to read as follows:

§ 385.1107 Evaluations (Rule 1107).

* * * * *

(c) This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the **Federal Register** announcing its determination and revising or removing this section accordingly.

■ 55. In § 385.1108, add paragraph (c) to read as follows:

§ 385.1108 Criteria (Rule 1108).

* * * * *

(c) This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the Federal Register announcing its determination and revising or removing this section accordingly.

■ 56. In § 385.1109, add paragraph (e) to read as follows:

§ 385.1109 Orders (Rule 1109).

* * * * *

(e) This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the Federal Register announcing its determination and revising or removing this section accordingly.

■ 57. In § 385.1110, add paragraph (d) to read as follows:

§ 385.1110 Review of initial decision and order for adjustment (Rule 1110).

* * * * *

(d) *Sunsetting provisions.* This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the Federal Register announcing its determination and revising or removing this section accordingly.

■ 58. In § 385.1111, add two sentences at the end of the paragraph to read as follows:

§ 385.1111 Conferences (Rule 1111).

* * * This section shall cease to have effect on December 5, 2026, unless the

Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the Federal Register announcing its determination and revising or removing this section accordingly.

■ 59. In § 385.1112, add paragraph (c) to read as follows:

§ 385.1112 Requests for confidential treatment (Rule 1112).

* * * * *

(c) This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the Federal Register announcing its determination and revising or removing this section accordingly.

■ 60. In § 385.1113, add paragraph (g) to read as follows:

§ 385.1113 Interim relief (Rule 1113).

* * * * *

(g) This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the Federal Register announcing its determination and revising or removing this section accordingly.

■ 61. In § 385.1114, add two sentences at the end of the paragraph to read as follows:

§ 385.1114 Motions (Rule 1114).

* * * This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission

will publish a document in the Federal Register announcing its determination and revising or removing this section accordingly.

■ 62. In § 385.1115, add two sentences at the end of the paragraph to read as follows:

§ 385.1115 Procedural rulings (Rule 1115).

* * * This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the Federal Register announcing its determination and revising or removing this section accordingly.

■ 63. In § 385.1116, add two sentences at the end of the paragraph to read as follows:

§ 385.1116 Appeals (Rule 1116).

* * * This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the Federal Register announcing its determination and revising or removing this section accordingly.

■ 64. In § 385.1117, add paragraph (d) to read as follows:

§ 385.1117 Petition for adjustment treated as request for interpretation (Rule 1117).

* * * * *

(d) This section shall cease to have effect on December 5, 2026, unless the Commission determines that the cessation deadline should be extended to a date not more than 5 years in the future after offering the public an opportunity to provide input on the costs and benefits of this section and considering that input. The Commission will publish a document in the Federal Register announcing its determination and revising or removing this section accordingly.

[FR Doc. 2025-19607 Filed 10-20-25; 8:45 am]

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Proposed Rules

Federal Register

Vol. 90, No. 201

Tuesday, October 21, 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.

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Parts 702 and 791

RIN 3133-AF67

Prohibition on Use of Reputation Risk by NCUA

AGENCY: National Credit Union Administration (NCUA).

ACTION: Proposed rule.

SUMMARY: The National Credit Union Administration Board (Board) is issuing a notice of proposed rulemaking to codify the elimination of reputation risk from its supervisory program. Among other things, the proposed rule would prohibit the agency from criticizing or taking adverse action against an institution, defined as an entity for which the NCUA makes or will make supervisory determinations or other decisions, either solely or jointly on the basis of reputation risk. The proposed rule would also prohibit the agency from requiring, instructing, or encouraging an institution to close an account, to refrain from providing an account, product, or service, or to modify or terminate any product or service on the basis of a person or entity's political, social, cultural, or religious views or beliefs, constitutionally protected speech, or on the basis of politically disfavored but lawful business activities perceived to present reputation risk.

DATES: Comments must be received by December 22, 2025.

ADDRESSES: Comments may be submitted in one of the following ways. (Please send comments by one method only):

- *Federal eRulemaking Portal:* <https://www.regulations.gov>. The docket number for this proposed rule is NCUA-2025-0972. Follow the "Submit a comment" instructions. If you are reading this document on [federalregister.gov](https://www.federalregister.gov), you may use the green "SUBMIT A PUBLIC COMMENT" button beneath this rulemaking's title to

submit a comment to the [regulations.gov](https://www.regulations.gov) docket. A plain language summary of the proposed rule is also available on the docket website.

- *Mail:* Address to Melane Conyers-Ausbrooks, Secretary of the Board, National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314-3428.

- *Hand Delivery/Courier:* Same as mailing address. Mailed and hand-delivered comments must be received by the close of the comment period.

- *Public Inspection:* Please follow the search instructions on <https://www.regulations.gov> to view the public comments. Do not include any personally identifiable information (such as name, address, or other contact information) or confidential business information that you do not want publicly disclosed. All comments are public records; they are publicly displayed exactly as received, and will not be deleted, modified, or redacted. Comments may be submitted anonymously. If you are unable to access public comments on the internet, you may contact the NCUA for alternative access by calling (703) 518-6540 or emailing OGCMail@ncua.gov.

FOR FURTHER INFORMATION CONTACT:

Office of Examination and Insurance: Michael Dondarski, Associate Director, at (703) 548-2638 or at 1775 Duke Street, Alexandria, VA 22314. *Office of General Counsel:* Kevin Tuininga, Deputy General Counsel, Office of General Counsel, at (703) 518-6540 or at the above address.

SUPPLEMENTARY INFORMATION:

I. Background and Policy Objectives

Citing reputation risk as a basis for supervisory criticisms can lead to inconsistency and subjectivity in the examination and supervision process, without adding material value from a safety and soundness perspective. To improve the efficiency and effectiveness of the examination and supervision program, the NCUA has removed reputation risk from its supervisory framework and is proposing to codify this change through regulation. These actions align with the requirements in Executive Order 14331, Guaranteeing Fair Banking for All Americans,¹ that notes the use of reputation risk can be a pretext for restricting law-abiding

individuals' and businesses' access to financial services on the basis of political or religious beliefs or disfavored but lawful business activities.

Because assessing reputation risk is subjective, it can lead to confusion and is time-consuming to measure for both examiners and credit unions. Reputation risk is ambiguous and lacks measurable criteria, which leaves it too open to interpretation. Therefore, the agency's supervision for reputation risk could reflect individual perspectives rather than data-driven conclusions. Given the difficulty of measuring reputation risk or quantifying its impact, if any, in an accurate and precise way, it is inappropriate for the agency to examine credit unions for this risk.

While it is important for a credit union to operate in a manner that member-owners view as favorable, credit union management is generally in the best position to identify the business decisions that will positively influence the membership's perception or opinion of the credit union. Examiners are not equipped and should not be expected to gauge public opinion or quantify the impact of member perception on a credit union's financial and operational condition. The highly subjective nature of these determinations creates unpredictability and inconsistency for regulated entities and introduces the potential for political or other biases into the supervisory process. This could result in examiners implicitly or explicitly encouraging or discouraging credit unions to restrict access to credit union services on the basis of examiners' personal views of a group's or individual's political, social, cultural, or religious views or beliefs, constitutionally protected speech, or politically disfavored but lawful business activities. If a credit union alters its behavior to comply with supervisory expectations relating to reputation risk management, such as by closing an account or choosing not to enter into or continue a business relationship with a member or account holder that it would otherwise maintain, it is forgoing an opportunity to maintain or build a productive relationship within its authorized field of membership that may otherwise be consistent with sound risk management practice.

¹ 90 FR 38925 (Aug. 12, 2025).

Even though reputation risk has been assessed as part of NCUA's examination and supervision program for decades, the agency has not seen evidence of reputation risk being a primary driver of unsafe or unsound conditions, or posing a material risk to the National Credit Union Share Insurance Fund (Share Insurance Fund). From a safety and soundness perspective, most activities that could negatively impact a credit union's reputation do so through traditional risk channels (for example, credit risk and liquidity risk, among others). These core financial and operational risk areas are more concrete and measurable and allow examiners to more objectively assess a credit union's safety and soundness.

In addition to not enhancing safety and soundness, focusing on reputation risk can distract credit unions and the agency from devoting resources to managing core financial and operational risks that are quantifiable and have been shown to present significant threats to credit unions. In the judgment of the agency, examining for reputation risk diverts resources that could be better spent on other risks that have been shown to present significant, tangible threats to institutions and that are more easily quantified and addressed through regulatory intervention.

The NCUA is responsible for the supervision and examination of all federally insured credit unions (FICUs), including for safety and soundness principles.² In furtherance of these objectives, the agency's supervision should focus on concrete risks and more objective criteria directly related to applicable statutory requirements. In the agency's experience, using reputation risk in its supervisory process does not further this mission.

II. Legal Authority

Under the Federal Credit Union Act (FCU Act), the NCUA examines all FICUs and is required to ensure that all FICUs operate safely and soundly.³ In particular, 12 U.S.C. 1786(b) compels the agency to act to correct unsafe or unsound conditions or practices in FICUs. Further, under the FCU Act, the NCUA is the chartering and supervisory

authority for federal credit unions (FCUs) and the federal supervisory authority for FICUs.⁴ The FCU Act grants the NCUA a broad mandate to issue regulations governing both FCUs and FICUs. Section 120 of the FCU Act is a general grant of regulatory authority, and it authorizes the Board to prescribe rules and regulations for the administration of the FCU Act.⁵ Section 207 of the FCU Act is a specific grant of authority over share insurance coverage, conservatorships, and liquidations.⁶ Section 209 of the FCU Act is a plenary grant of regulatory authority to the NCUA to issue rules and regulations necessary or appropriate to carry out its role as share insurer for all FICUs.⁷ Accordingly, the FCU Act grants the Board broad rulemaking authority to ensure the credit union industry and the Share Insurance Fund remain safe and sound. Also, the NCUA has statutory authority to determine whether FICUs are operated in an unsafe or unsound manner and terminate a FICU's insurance if a FICU is not operated in a safe or sound manner.⁸ Finally, the Board has the authority to adopt such rules as it sees fit for the transaction of its business, which includes oversight of the NCUA's supervisory and examination programs.⁹

III. Description of the Proposed Rule and Changes

Based on the legal authorities set forth previously, the subjectivity of reputation risk, the limited value of reputational risk at identifying risks to safety and soundness or other statutory mandates, and the potential for distracting examiners and institutions from examining or managing core financial and operational risks, the agency has removed reputation risk from its supervisory framework and is proposing to codify this change in NCUA's regulations.¹⁰ This proposed rule would be a regulation as defined in section 5 of Executive Order 14192. The proposed rule would be a significant regulatory action for the purposes of Executive Order 12866. The proposed elimination of reputation risk supervision is deregulatory.

The proposed rule would not alter or affect the ability of an institution to make business decisions regarding its members, accountholders, or third-party arrangements and to manage them effectively, consistent with safety and soundness and compliance with applicable laws.

The proposed rule would prohibit the agency from criticizing, formally or informally, rewarding, using in its decision-making process, or taking any adverse action against institutions on the basis of reputation risk. The agency would be prohibited from requiring, instructing, or encouraging an institution or its employees, to refrain from contracting with or to terminate or modify a contract with a third party, including an institution-affiliated party, on the basis of reputation risk. The agency also could not require, instruct, or encourage an institution or its employees to refrain from doing business with or to terminate or modify a business relationship with a third party, including an institution-affiliated party, on the basis of reputation risk. The proposed rule would also prevent the agency from requiring, instructing, or encouraging an institution or its employees to enter into a contract or business relationship with a third party on the basis of reputation risk. The proposed rule would further prohibit the agency from requiring, instructing, or encouraging an institution or its employees to terminate a contract with, discontinue doing business with, or modify the terms under which it will do business with a person or entity on the basis of the person's or entity's political, social, cultural, or religious views or beliefs, constitutionally protected speech, or on the basis of the third party's involvement in politically disfavored but lawful business activities perceived to present reputation risk.

The proposed rule would also prevent the agency from requiring, instructing, or encouraging an institution or its employees to engage in or refrain from acquiring or terminating a relationship with any person or entity within the credit union's authorized field of membership, or person or entity the credit union or institution is otherwise lawfully permitted to serve, on the basis of reputation risk. This prohibition would not affect member service requirements and limitations related to a credit union's field of membership. Similarly, this prohibition would not affect requirements intended to prohibit or reject transactions or accounts associated with Office of Foreign Assets Control-sanctioned persons, entities, or jurisdictions. Such prohibitions and rejections would not be based on the

² See, e.g., 12 U.S.C. 1756, 1781, 1784, 1786, 1789. The NCUA also insures member accounts at all FICUs and manages liquidations of insolvent FICUs.

³ There are several references to safety and soundness principles in the Federal Credit Union Act. See 12 U.S.C. 1757(5)(A)(vi)(I), 1759(d) & (f), 1781(c)(2), 1782(a)(6)(B), 1786(b), 1786(e), 1786(f), 1786(g), 1786(k)(2), 1786(r), 1786(s), and 1790d(h). Similarly, the NCUA requires FICUs to comply with relevant consumer protection statutes and regulations. See, e.g., 12 CFR part 717—Fair Credit Reporting.

⁴ 12 U.S.C. 1751 *et seq.*

⁵ 12 U.S.C. 1766(a).

⁶ 12 U.S.C. 1787.

⁷ 12 U.S.C. 1789(a)(11).

⁸ 12 U.S.C. 1786.

⁹ 12 U.S.C. 1752a(d). Under 12 U.S.C. 1784, the Board appoints examiners who shall have power, on the Board's behalf, to examine any insured credit union.

¹⁰ This rule would not prohibit actions taken to ensure compliance with statutory and regulatory field of membership requirements.

person's or entity's political, social, cultural, or religious views or beliefs, constitutionally protected speech, or politically disfavored but lawful business activities perceived to present reputation risk. The prohibition also does not affect the agency's authority to enforce the requirements of the provisions of United States Code title 31, chapter 53, subchapter II regarding reporting on monetary transactions, field of membership requirements under the FCU Act, administration of Community Development Revolving Loan Fund activities, or any other application decision where federal law mandates the NCUA to consider criteria such as character and fitness or integrity.¹¹

"Adverse action," as defined by the proposed rule, would include the provision of negative feedback, including written feedback in a report of examination, a document of resolution, oral feedback, or an enforcement action. This definition would only apply to NCUA-initiated adverse actions. NCUA will often jointly examine federally insured, state-chartered credit unions along with the state regulator. In these instances, the state regulator generally will take the lead in issuing the report of examination and any corrective action. If the state regulator elects to examine for reputation risk, NCUA examiners will not participate in these discussions or enforce any resulting supervisory actions taken by the state regulator.

Furthermore, adverse action encompasses any NCUA-led action of any agency employee, including any communication characterized as informal or preliminary. A downgrade (or contribution to a downgrade) of any supervisory rating, including a rating assigned under NCUA's CAMELS ratings system¹² also would constitute an "adverse action" under the proposed rule. Further, an approval or denial of a filing, or an imposition of a discretionary supervisory action under prompt corrective action, on the basis of "reputation risk" would constitute an "adverse action" under the proposed rule, except where federal law requires consideration of reputation-related criteria. This includes any burdensome requirements placed on an approval, the introduction of additional approval requirements, or any other heightened requirements or emphasis on an activity or change.

The agency is also including a general "catch-all" for any other actions, including approval or denial of applications, waivers, and other agency actions or decisions for any party, that could impact the party. This catch-all is meant to include actions such as decisions on applications for waivers, applications to engage in certain business activities for which supervisory permission is required, or other regulatory decisions affecting institutions. The agency believes that most actions would be covered under the other definitions outlined in the regulation but has included this additional "catch-all" to account for any circumstances that may not be apparent or may become applicable as regulatory and supervisory standards change. Additionally, actions subject to this prohibition would include feedback that is oral, a condition attached to an approval, the introduction of new approval requirements, and any other heightened requirements that are intended to force the institution to address perceived reputation risk.

The term "doing business with" in the proposed rule is intended to be construed broadly and to include both business relationships with credit union members, accountholders, and with third-party service providers. It is also intended to include the relationship of an institution with organizations or individuals that the institution is providing with charitable donations or services. This term is intended to include both existing business relationships and prospective business relationships.

The term "institution-affiliated party" has the same meaning as in 12 U.S.C. 1786(r).

The proposed rule would define "reputation risk" as the risk, regardless of how the risk is labeled by the institution or by the agency, that an action or activity, or combination of actions or activities, or lack of actions or activities, of an institution could negatively impact public perception of the institution for reasons unrelated to the current or future financial and operational condition of the institution. This definition is intended to include not just risks that the agency or the institution identify as "reputation risks," but any similar risk based around concerns regarding the public's perception of the institution beyond the scope of other risks in the agency's supervisory frameworks. This definition is not intended to capture risks posed by public perceptions of the institution's current or future financial or operational condition because such perceptions relate to risks other than reputation risk.

For example, public perceptions that an institution has insufficient liquidity and therefore is susceptible to a run on shares would not be considered reputation risk.

The prohibitions of the proposed rule would apply to actions taken on the basis of reputation risk; political, social, cultural, or religious views and beliefs; constitutionally protected speech; or based on bias against politically disfavored but lawful business activities perceived to present reputation risk. The proposed rule would not prohibit criticism, supervisory feedback, or other actions to address traditional risk channels related to safety and soundness and compliance with applicable laws, including credit risk, interest rate risk, and transaction risk (including cybersecurity, information security, and illicit finance), provided that such criticism, supervisory feedback, or other actions addressing these other risks is not a pretext by examiners aimed at reputation risk.

Under the proposed rule, the NCUA would make one conforming amendment to the NCUA's regulations to eliminate references to reputation risk. The conforming amendment would be made in the stress testing requirements for complex credit unions.¹³ One other NCUA regulation codified in 12 CFR part 717 refers to reputation risk concerning certain identity theft prevention programs required by the Fair and Accurate Credit Transactions Act of 2003.¹⁴ However, by statute, guidelines and regulations for these programs must occur jointly across certain federal agencies,¹⁵ so no conforming amendment is suggested for 12 CFR part 717 at this time. The NCUA will consider making changes to 12 CFR part 717 in a separate, joint rulemaking in the future. Until that separate, joint rulemaking occurs, the NCUA expects to exercise its discretion in enforcing 12 CFR part 717 by using agency resources to assess compliance without regard to reputation risk.

¹³ 12 CFR 702.304(b)(2) requires a complex credit union to consider how it will maintain stress test capital commensurate with its risks, including reputational risk.

¹⁴ Public Law 108-159, 117 Stat. 1952 (codified at 15 U.S.C. 1681-1681x); 12 CFR 717.90(b)(3)(ii) defines a covered account as any other account that the federal credit union offers or maintains for which there is a reasonably foreseeable risk to members or to the safety and soundness of the federal credit union from identity theft, including financial, operational, compliance, reputation, or litigation risks.

¹⁵ See 15 U.S.C. 1681m(e); 72 FR 63720 (Nov. 9, 2007) (discussing the definition that refers to reputation risk and linking it to 15 U.S.C. 1681m(e)).

¹¹ 15 U.S.C. 5311 *et seq.*

¹² For additional information on NCUA's CAMELS rating system, please see Letter to Credit Unions 22-CU-05.

III. Request for Comments

The agency seeks comment on all aspects of the proposed rule, including the following:

1. Do commenters believe the prohibitions capture the types of actions that add undue subjectivity to supervision based on reputation risk? If there are other prohibitions that would be warranted, please identify such prohibitions and explain.

2. Is the definition of “adverse action” in the proposed rule sufficiently clear? Should the definition be broader or narrower? Are there other types of agency actions that should be included in the list of “adverse actions?” Does the catch-all provision at the end of the definition of “adverse action” appropriately capture any agency action that is intended to punish or discourage credit unions on the basis of perceived reputation risk? Is such catch-all provision sufficiently clear?

3. Are commenters aware of any other uses of reputation risk in supervision that should be addressed in this proposed rule? If so, please describe such uses and their effects on credit unions.

4. Do commenters believe the definition of “reputation risk” should be broadened or narrowed? If so, how should the definition be broadened or narrowed? Please provide support for any suggested changes.

5. The proposed definition of “reputation risk” includes risks that could negatively impact public perception of a credit union for reasons unrelated to the credit union’s financial condition. Should this be broadened to include reasons unrelated to the credit union’s operational condition?

6. Should the list of relationships that would constitute “doing business with” include additional types of relationships?

7. Does the removal of reputation risk create any other unintended consequences for the agency or institutions?

8. Would the proposed rule have any costs, benefits, or other effects that the agency has not identified? If so, please describe any such costs, benefits, or other effects.

9. Should the definition of institution be broadened or are there any other categories of activities that should be excluded from the scope of the rule?

IV. Expected Effects

A. Background

As previously discussed, to improve the efficiency and effectiveness of the supervisory framework, the NCUA is proposing to establish a regulation

codifying the removal of reputation risk from its examination and supervision programs.

B. Parties Affected by the Proposal

1. NCUA Regulated Entities Affected by the Rule

The NCUA currently supervises 2,740 FCUs and 1,630 federally insured, state-chartered credit unions (collectively referred to as FICUs).¹⁶ Because all FICUs were subject to reputation risk assessments, the proposed rule would affect all 4,370 institutions.

2. Other Parties

Because the proposed rule aims to remove the influence of the agency’s reputation risk assessments on institutions’ member and business relationships, NCUA concludes that the proposed rule could potentially affect all FICUs’ current and future members and business partners. It would also affect any other institutions over which the NCUA has or may be granted supervisory authority.

C. Current Legal and Regulatory Baselines

On September 25, 2025, the NCUA issued Letter to Credit Unions 25–CU–05 wherein the agency notified supervised institutions that it was ceasing to use reputation risk in the examination and supervisory process. The NCUA also sent a memo to staff on that same day, instructing staff that they may no longer base supervisory concerns on reputation risk. NCUA employees were notified that they may not refer to or engage in discussions about reputation risk or similar concepts as part of examinations and supervision contacts or other regulatory or supervisory actions (such as waivers, application decisions, or enforcement actions) for a credit union or credit union service organization. The agency is in the process of removing reputation risk from its regulations, policies, manuals, and training materials.

Therefore, the NCUA has already discontinued reputation risk-based supervision as of September 25, 2025. The proposed rule would create a formal, legal mandate to remove reputation risk from NCUA’s supervision framework. Effectively, there would be no additional burden, and therefore no compliance costs since reputation risk will not be examined for effective September 25, 2025.

¹⁶ Based on data accessed using FINDRS on August 1, 2025.

D. Costs and Benefits

Implementing a regulation to prohibit the use of reputation risk in the examination and supervision program will remove uncertainty and the potential for misuse, which inherently will provide benefits to FICUs. The removal of reputation risk will ensure greater consistency and objectivity of supervisory decisions, increasing the predictability for regulated institutions to understand and manage regulators’ supervisory expectations. The proposed rule should benefit credit unions and their members by formally eliminating actual or perceived reputation risk-related regulatory restrictions and constraints on member services that would otherwise be permissible.

Other than the inherent benefits described above, the NCUA cannot quantify the number of institutions, or the associated costs, where an institution was criticized for activities because of reputation risk. Nor does the NCUA have the information necessary to quantify the number of institutions that might make changes to their operations based on this change.

V. Regulatory Procedures

A. Providing Accountability Through Transparency Act of 2023

The Providing Accountability Through Transparency Act of 2023 (5 U.S.C. 553(b)(4)) (Act) requires that a notice of proposed rulemaking include the internet address of a summary of not more than 100 words in length of a proposed rule, in plain language, that shall be posted on the internet website under section 206(d) of the E-Government Act of 2002 (44 U.S.C. 3501 note) (commonly known as *regulations.gov*).

In summary, the proposed rule would prohibit the agency from criticizing or taking adverse action against an institution on the basis of reputation risk. The proposed rule would also prohibit the agency from requiring, instructing, or encouraging an institution to close an account, to refrain from providing an account, product, or service, or to modify or terminate any product or service on the basis of a person or entity’s political, social, cultural, or religious views or beliefs, constitutionally protected speech, or on the basis of politically disfavored but lawful business activities perceived to present reputation risk.

The proposal and the required summary can be found at <https://www.regulations.gov>.

B. Executive Orders 12866, 13563, and 14192

Pursuant to Executive Order 12866 (“Regulatory Planning and Review”), a determination must be made whether a regulatory action is significant and therefore subject to review by the Office of Management and Budget (OMB) in accordance with the requirements of the Executive Order.¹⁷ Executive Order 13563 (“Improving Regulation and Regulatory Review”) supplements and reaffirms the principles, structures, and definitions governing contemporary regulatory review established in Executive Order 12866.¹⁸ This proposed rule was drafted and reviewed in accordance with Executive Order 12866 and Executive Order 13563. OMB has determined that this proposed rule is a “significant regulatory action” as defined in section 3(f)(1) of Executive Order 12866 Executive Order 14192 (“Unleashing Prosperity Through Deregulation”) requires that any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least 10 prior regulations.¹⁹ This proposed rule, if finalized as proposed, is not expected to be an Executive Order 14192 regulatory action.

C. Regulatory Flexibility Act

The Regulatory Flexibility Act²⁰ generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. If the agency makes such a certification, it shall publish the certification at the time of publication of either the proposed rule or the final rule, along with a statement providing the factual basis for such certification.²¹ For purposes of this analysis, the NCUA considers small credit unions to be those having under \$100 million in assets.²² The Board fully considered the potential economic impacts of the regulatory amendments on small credit unions.

The NCUA ceased using reputation risk in its supervisory framework effective September 25, 2025, and a review of examination data shows that reputation risk was not frequently used to support corrective actions in reports

of examination. As such, this rule will not have a significant economic impact on FICUs in general.

Accordingly, the NCUA certifies the proposed rule would not have a significant economic impact on a substantial number of small credit unions.

D. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (PRA) applies to rulemaking in which an agency creates a new or amends existing information collection requirements.²³ For purposes of the PRA, an information collection requirement may take the form of a reporting, recordkeeping, or a third-party disclosure requirement. The NCUA may not conduct or sponsor, and the respondent is not required to respond to, an information collection unless it displays a valid OMB control number. The NCUA has reviewed this proposed rule and determined that it does not create any information collection or revise any existing collection of information. Accordingly, no PRA submissions to OMB will be made with respect to this proposed rule. The NCUA nevertheless invites comments on any PRA implications.

E. Executive Order 13132 on Federalism

Executive Order 13132 encourages regulatory agencies to consider the impact of their actions on state and local interests. The NCUA, a regulatory agency as defined in 44 U.S.C. 3502(5), voluntarily complies with the executive order to adhere to fundamental federalism principles. The proposed rule would affect how NCUA examiners cite or use certain risks in the supervisory process, including for federally insured, state-chartered credit unions. But the proposed rule would not constrain how state regulators apply these same concepts or otherwise change the relationship between NCUA and the state regulators. The rulemaking would therefore not have direct effect on the states, the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government.

F. Assessment of Federal Regulations and Policies on Families

The NCUA has determined that this proposed rule would not affect family well-being within the meaning of Section 654 of the Treasury and General Government Appropriations Act, 1999.²⁴ While the proposed changes in

NCUA’s supervision of institutions could expand access to services, the effect would be indirect and not easily quantifiable.

List of Subjects

12 CFR Part 702

Banks, banking, credit unions, reporting and recordkeeping requirements.

12 CFR Part 791

Administrative practice and procedure, credit unions, Sunshine Act.

By the National Credit Union Administration Board, this 17th day of October 2025.

Melane Conyers-Ausbrooks,
Secretary of the Board.

For the reasons stated in the preamble, the NCUA Board proposes to amend 12 CFR parts 702 and 791 as follows:

PART 702—CAPITAL ADEQUACY

- 1. The authority citation for part 702 continues to read as follows:

Authority: 12 U.S.C. 1757(g), 1766(a), 1784(a), 1786(e), 1790d.

- 2. In § 702.304(b)(2), remove “reputational,”.

PART 791—RULES OF NCUA BOARD PROCEDURE; PROMULGATION OF NCUA RULES AND REGULATIONS; PUBLIC OBSERVATION OF NCUA BOARD MEETINGS; USE OF SUPERVISORY GUIDANCE; PROHIBITION ON USE OF REPUTATION RISK

- 3. The authority citation for part 791 continues to read as follows:

Authority: 12 U.S.C. 1766, 1781, 1786, 1787, and 5 U.S.C. 552b.

- 4. The heading for part 791 is revised to read as set forth above.
- 5. Revise the table of contents for part 791 as follows:

Subpart A—Rules of NCUA Board Procedure

- 791.1 Scope
- 791.2 Number of votes required for board action.
- 791.3 Voting by proxy.
- 791.4 Methods of acting.
- 791.5 Scheduling of board meetings.
- 791.6 Subject matter of a meeting.

Subpart B—Promulgation of NCUA Rules and Regulations

- 791.7 Scope.
- 791.8 Promulgation of NCUA rules and regulations.

Subpart C—Public Observation of NCUA Board Meetings Under the Sunshine Act

- 791.9 Scope.

¹⁷ 58 FR 51735 (Oct. 4, 1993).

¹⁸ 76 FR 3821 (Jan. 21, 2011).

¹⁹ 90 FR 9065 (Feb. 6, 2025).

²⁰ 5 U.S.C. 601 *et seq.*

²¹ 5 U.S.C. 605(b).

²² 80 FR 57512 (Sept. 24, 2015).

²³ 44 U.S.C. 3501–3520; 5 CFR part 1320.

²⁴ Public Law 105–277, 112 Stat. 2681 (1998).

- 791.10 Definitions.
- 791.11 Open meetings.
- 791.12 Exemptions.
- 791.13 Public announcement of meetings.
- 791.14 Regular procedure for closing meeting discussions or limiting the disclosure of information.
- 791.15 Requests for open meeting.
- 791.16 General counsel certification.
- 791.17 Maintenance of meeting records.
- 791.18 Public availability of meeting records and other documents.

Subpart D—Use of Supervisory Guidance

- 791.19 Purpose.
 - 791.20 Implementation of Interagency Statement.
 - 791.21 Rule of Construction.
- Appendix A to Subpart D
Statement Clarifying the Role of Supervisory Guidance

Subpart E—Prohibition on Use of Reputation Risk by NCUA

- 791.22 Prohibitions.

■ 6. Add subpart E to read as follows:

Subpart E—Prohibition on Use of Reputation Risk by NCUA

§ 791.22 Prohibitions.

(a) The NCUA will not criticize, formally or informally, or take adverse action against an institution on the basis of reputation risk.

(b) The NCUA will not require, instruct, or encourage an institution, or any employee of an institution, to:

(1) refrain from contracting or doing business with a third party, including an institution-affiliated party, on the basis of reputation risk;

(2) terminate a contract or discontinue doing business with a third party, including an institution-affiliated party, on the basis of reputation risk;

(3) sign a contract or initiate doing business with a third party, including an institution-affiliated party, on the basis of reputation risk; or

(4) modify the terms or conditions under which it contracts or does business with a third party, including an institution-affiliated party, on the basis of reputation risk.

(c) The NCUA will not require, instruct, or encourage an institution, or any employee of an institution, to terminate a contract with, discontinue doing business with, sign a contract with, initiate doing business with, modify the terms under which it will do business with a person or entity, or take any action or refrain from taking any action on the basis of the person's or entity's political, social, cultural, or religious views or beliefs, constitutionally protected speech, or on the basis of the person or entity's involvement in politically disfavored but lawful business activities based on reputation risk.

(d) The prohibitions in paragraphs (a) through (c) apply only to actions taken on the bases described in paragraphs (a) through (c), and the prohibition in paragraph (c) shall not apply with respect to persons, entities, or jurisdictions sanctioned by the Office of Foreign Assets Control.

(e) The prohibitions in paragraphs (a) through (c) apply only to actions taken on the bases described in paragraphs (a) through (c), and the prohibition in paragraph (c) shall not apply with respect to actions taken to comply with statutory or regulatory field of membership requirements, administration of Community Development Revolving Loan Fund activities, or any other application or decision where federal law mandates the NCUA to consider criteria such as character and fitness or integrity.

(f) Nothing in this section shall restrict the NCUA's authority to implement, administer, and enforce the provisions of subchapter II of chapter 53 of title 31, United States Code.

(g) The NCUA will not take any supervisory action or other adverse action against an institution, a group of institutions, or the institution-affiliated parties of any institution that is designed to punish, discourage, or encourage an individual or group from engaging in any lawful political, social, cultural, or religious activities or lawful business activities, constitutionally protected speech, or, for political reasons, lawful business activities that the supervisor disapproves with or disfavors.

(h) Definitions.

(1) "Adverse action" includes:

(A) any negative feedback delivered by or on behalf of the NCUA to an institution, including in an NCUA-issued report of examination or a formal or informal enforcement action;

(B) a downgrade, or contribution to a downgrade, of any supervisory rating, including, but not limited to:

(i) any NCUA rating under the CAMELS ratings system;

(ii) any NCUA rating under any other rating system;

(C) a denial of a filing under any of the NCUA's regulations;

(D) inclusion of a condition on a share insurance application or other approval;

(E) imposition of additional approval requirements;

(F) any other heightened requirements on an activity or change;

(G) any reclassification of a well-capitalized federally insured credit union or imposition of a discretionary supervisory action under NCUA's prompt corrective action rules (12 CFR 702); and

(H) any action that negatively impacts the institution, or an institution-affiliated party, or treats the institution differently than similarly situated peers.

(2) "Doing business with" means an institution:

(A) providing any product or service, including account services;

(B) contracting with a third party for the third party to provide a product or service;

(C) providing discounted or free products or services to customers or third parties, including charitable activities;

(D) entering into, maintaining, modifying, or terminating an employment relationship; or

(E) any other similar business activity that involves an institution's member or accountholder or a third party.

(3) "Institution-affiliated party" means the same as in section 206 of the Federal Credit Union Act (12 U.S.C. 1786(r)).

(4) "Institution" means an entity for which the NCUA makes or will make supervisory determinations or other decisions, either solely or jointly.

(4) "Reputation risk" means any risk, regardless of how the risk is labeled by the institution or the NCUA, that an action or activity, or combination of actions or activities, or lack of actions or activities, of an institution could negatively impact public perception of the Institution for reasons unrelated to the current or future financial condition of the institution.

[FR Doc. 2025-19623 Filed 10-20-25; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA-2025-3435; Project Identifier MCAI-2025-01602-T]

RIN 2120-AA64

Airworthiness Directives; Bombardier, Inc., Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: The FAA proposes to supersede Airworthiness Directive (AD) 2025-17-12, which applies to all Bombardier, Inc., Model CL-600-1A11 (600) and CL-600-2A12 (601) airplanes, and certain Model CL-600-2B16 (601-3A, 601-3R, and 604 Variants) airplanes. AD 2025-17-12 requires

revising the existing maintenance or inspection program, as applicable, to incorporate new or more restrictive airworthiness limitations. Since the FAA issued AD 2025–17–12, the FAA has determined that certain serial numbers for affected Model CL–600–2B16 (604 Variants) airplanes are not included in the applicability of AD 2025–17–12. This proposed AD would continue to require the actions specified in AD 2025–17–12 and would add airplanes to the applicability. The FAA is proposing this AD to address the unsafe condition on these products.

DATES: The FAA must receive comments on this NPRM by November 20, 2025.

ADDRESSES: You may send comments, using the procedures found in 14 CFR 11.43 and 11.45, by any of the following methods:

- *Federal eRulemaking Portal:* Go to [regulations.gov](https://www.regulations.gov). Follow the instructions for submitting comments.

- *Fax:* 202–493–2251.

- *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:* Deliver to Mail address above between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

AD Docket: You may examine the AD docket at [regulations.gov](https://www.regulations.gov) under Docket No. FAA–2025–3435; or in person at Docket Operations between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The AD docket contains this NPRM, the mandatory continuing airworthiness information (MCAI), any comments received, and other information. The street address for Docket Operations is listed above.

Material Incorporated by Reference:

- For Bombardier material identified in this proposed AD, contact Bombardier Business Aircraft Customer Response Center, 400 Côte-Vertu Road West, Dorval, Québec H4S 1Y9, Canada; telephone 514–855–2999; email ac.yul@aero.bombardier.com; website <https://my.bombardier.com/>.

- You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 2200 South 216th St., Des Moines, WA. For information on the availability of this material at the FAA, call 206–231–3195.

FOR FURTHER INFORMATION CONTACT:

Brenda L. Buitrago, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: 516–228–7300; email: 9-avs-nyaco-cos@faa.gov.

SUPPLEMENTARY INFORMATION:

Comments Invited

The FAA invites you to send any written relevant data, views, or arguments about this proposal. Send your comments using a method listed under the **ADDRESSES** section. Include “Docket No. FAA–2025–3435; Project Identifier MCAI–2025–01602–T” at the beginning of your comments. The most helpful comments reference a specific portion of the proposal, explain the reason for any recommended change, and include supporting data. The FAA will consider all comments received by the closing date and may amend the proposal because of those comments.

Except for Confidential Business Information (CBI) as described in the following paragraph, and other information as described in 14 CFR 11.35, the FAA will post all comments received, without change, to [regulations.gov](https://www.regulations.gov), including any personal information you provide. The agency will also post a report summarizing each substantive verbal contact received about this NPRM.

Confidential Business Information

CBI is commercial or financial information that is both customarily and actually treated as private by its owner. Under the Freedom of Information Act (FOIA) (5 U.S.C. 552), CBI is exempt from public disclosure. If your comments responsive to this NPRM contain commercial or financial information that is customarily treated as private, that you actually treat as private, and that is relevant or responsive to this NPRM, it is important that you clearly designate the submitted comments as CBI. Please mark each page of your submission containing CBI as “PROPIN.” The FAA will treat such marked submissions as confidential under the FOIA, and they will not be placed in the public docket of this NPRM. Submissions containing CBI should be sent to Brenda L. Buitrago, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: 516–228–7300; email: 9-avs-nyaco-cos@faa.gov. Any commentary that the FAA receives that is not specifically designated as CBI will be placed in the public docket for this rulemaking.

Background

The FAA issued AD 2025–17–12, Amendment 39–23122 (90 FR 46330, September 26, 2025) (AD 2025–17–12), for all Bombardier, Inc., Model CL–600–1A11 (600) and CL–600–2A12 (601) airplanes, and certain Model CL–600–2B16 (601–3A, 601–3R, and 604 Variants) airplanes. AD 2025–17–12 was

prompted by an MCAI originated by Transport Canada, which is the aviation authority for Canada. Transport Canada issued AD CF–2024–16, dated May 23, 2024 (Transport Canada AD CF–2024–16), to correct an unsafe condition.

AD 2025–17–12 requires revising the existing maintenance or inspection program, as applicable, to incorporate new or more restrictive airworthiness limitations. The FAA issued AD 2025–17–12 to address new or more restrictive limitations. Failure to comply with these new or more restrictive limitations could adversely affect the continued airworthiness of the airplane.

Actions Since AD 2025–17–12 Was Issued

Since the FAA issued AD 2025–17–12, the FAA has determined that certain serial numbers for affected Model CL–600–2B16 (604 Variant) airplanes are not included in the applicability of AD 2025–17–12. Table 1 to paragraph (g)(1) of AD 2025–17–12 and table 2 to paragraph (g)(2) of AD 2025–17–12 identify the applicable airplanes for each document by serial numbers. For Model CL–600–2B16 (604 Variant) airplanes, the serial numbers start at 5301. However, paragraph (c)(2) of AD 2025–17–12 only identifies Model CL–600–2B16 (604 Variant) airplanes, serial numbers (S/Ns) 6050 through 6192 inclusive. Therefore, the FAA is revising the applicability of this proposed AD by adding Model CL–600–2B16 (604 Variant) airplanes, S/Ns 5301 through 5665 inclusive and S/Ns 5701 through 6049 inclusive. The FAA has removed references to those serial numbers from table 1 to paragraph (g)(1) of this proposed AD and table 2 to paragraph (g)(2) of this proposed AD and added actions for those airplanes to paragraph (i) of this proposed AD.

The FAA has also determined that the last row of table 2 to paragraph (g)(2) of AD 2025–17–12 inadvertently lists S/N 6193 instead of S/N 6192. Airplanes having S/N 6193 and subsequent were delivered with Bombardier Temporary Revision No. 5–2–5, dated October 16, 2023, and must comply with the airworthiness limitations specified as part of the approved type design. The FAA has revised table 2 to paragraph (g)(2) of this proposed AD accordingly.

The FAA is proposing this AD to address the unsafe condition on these products.

You may examine the MCAI in the AD docket at [regulations.gov](https://www.regulations.gov) under Docket No. FAA–2025–3435.

Material Incorporated by Reference Under 1 CFR Part 51

This proposed AD would require the following Bombardier material, which the Director of the Federal Register approved for incorporation by reference as of October 31, 2025 (90 FR 46333, September 26, 2025):

- Section 5–10–00, “Airworthiness Limitations,” of Bombardier Challenger 600 Time Limits/Maintenance Checks (TLMC), Publication No. PSP 605, Revision 39, dated January 8, 2018. (For obtaining these sections of Bombardier Challenger 600 TLMC, Publication No. PSP 605, use Document Identification No. CH 600 TLMC.)

- Section 5–10–00, “Airworthiness Limitations,” of Bombardier Challenger 601 TLMC, Publication No. PSP 601–5, Revision 46, dated January 8, 2018. (For obtaining these sections of Bombardier Challenger 601 TLMC, Publication No. PSP 601–5, use Document Identification No. CH 601 TLMC.)

- Section 5–10–00, “Airworthiness Limitations,” of Bombardier Challenger 601 TLMC, Publication No. PSP 601A–5, Revision 42, dated January 8, 2018. (For obtaining these sections of Bombardier Challenger 601 TLMC, Publication No. PSP 601A–5, use Document Identification No. CH 601 TLMC–1.)

- Part 2, “Airworthiness Limitations,” of Bombardier Challenger 604 TLMC, Publication No. CH 604 TLMC, Revision 33, dated November 22, 2022. (The document identification number for ordering Bombardier Challenger 604 TLMC, Publication No. CH 604 TLMC is incorrectly identified as “CH 600 TLMC” on page 2 of the TLMC. For obtaining Part 2 of Bombardier Challenger 604 TLMC, Publication No. CH 604 TLMC, use Document Identification No. CH 604 TLMC.)

- Part 2, “Airworthiness Limitations,” of Bombardier Challenger 605 TLMC, Publication No. CH 605 TLMC, Revision 22, dated November 22, 2022.

- Part 2, “Airworthiness Limitations,” of Bombardier Challenger 650 TLMC, Publication No. CH 650 TLMC, Revision 9, dated November 22, 2022.

- Temporary Revision No. 5–2–5, dated October 16, 2023, which includes new Task 32–51–04–101*, “Discard of the Nosewheel-Steering Control Potentiometer Coupling Setscrews, Part No. B0201102–2–220 (A/C 6194 and Subs or Post SB 650–32–007).”

- Temporary Revision No. 5–2–29, dated October 25, 2023, which includes new Task 32–51–04–101*, “Discard of

the Nosewheel-Steering Control Potentiometer Coupling Setscrews, Part No. B0201102–2–220 (Post SB 605–32–010).”

- Temporary Revision No. 5–2–73, dated October 25, 2023, which includes new Task 32–51–04–101*, “Discard of the Nosewheel-Steering Control Potentiometer Coupling Setscrews, Part No. B0201102–2–220 (Post SB 604–32–033).”

- Temporary Revision No. TR 5–164, dated December 23, 2022, which includes new Task 53–10–01–102*, “Forward Pressure Bulkhead Cap Angle—Aft Side.”

- Temporary Revision No. TR 5–165, dated October 25, 2023.

- Temporary Revision No. TR 5–268, dated December 23, 2022, which includes new Task 53–10–01–103*, “Forward Pressure Bulkhead Cap Angle—Aft Side.”

- Temporary Revision No. TR 5–269, dated October 25, 2023.

- Temporary Revision No. TR 5–282, dated December 23, 2022, which includes new Task 53–10–01–103*, “Forward Pressure Bulkhead Cap Angle—Aft Side.”

- Temporary Revision No. TR 5–283, dated October 25, 2023.

(The asterisk (or “one star”) with the last three digits of the task numbers listed above indicates that the task is an airworthiness limitation task.)

This material is reasonably available because the interested parties have access to it through their normal course of business or by the means identified in the **ADDRESSES** section.

FAA’s Determination

These products have been approved by the civil aviation authority of another country and are approved for operation in the United States. Pursuant to the FAA’s bilateral agreement with this State of Design Authority, that authority has notified the FAA of the unsafe condition described in the MCAI and material referenced above. The FAA is issuing this NPRM after determining that the unsafe condition described previously is likely to exist or develop on other products of the same type design.

Proposed Requirements of This NPRM

This proposed AD would retain all of the requirements of AD 2025–17–12. This proposed AD would also add airplanes to the applicability.

This proposed AD would require revisions to certain operator maintenance documents to include new actions (e.g., inspections). Compliance with these actions is required by 14 CFR 91.403(c). For airplanes that have been

previously modified, altered, or repaired in the areas addressed by this proposed AD, the operator may not be able to accomplish the actions described in the revisions. In this situation, to comply with 14 CFR 91.403(c), the operator must request approval for an alternative method of compliance according to paragraph (l)(1) of this proposed AD.

Costs of Compliance

The FAA estimates that this AD, if adopted as proposed, would affect 427 airplanes of U.S. registry. The FAA estimates the following costs to comply with this proposed AD:

The FAA estimates the total cost per operator for the retained actions from AD 2025–17–12 to be \$7,650 (90 work-hours × \$85 per work-hour).

The FAA has determined that revising the maintenance or inspection program takes an average of 90 work-hours per operator, although the agency recognizes that this number may vary from operator to operator. Since operators incorporate maintenance or inspection program changes for their affected fleet(s), the FAA has determined that a per-operator estimate is more accurate than a per-airplane estimate. Therefore, the FAA estimates the total cost per operator for the new proposed actions to be \$7,650 (90 work-hours × \$85 per work-hour).

Authority for This Rulemaking

Title 49 of the United States Code specifies the FAA’s authority to issue rules on aviation safety. Subtitle I, section 106, describes the authority of the FAA Administrator. Subtitle VII: Aviation Programs, describes in more detail the scope of the Agency’s authority.

The FAA is issuing this rulemaking under the authority described in Subtitle VII, Part A, Subpart III, Section 44701: General requirements. Under that section, Congress charges the FAA with promoting safe flight of civil aircraft in air commerce by prescribing regulations for practices, methods, and procedures the Administrator finds necessary for safety in air commerce. This regulation is within the scope of that authority because it addresses an unsafe condition that is likely to exist or develop on products identified in this rulemaking action.

Regulatory Findings

The FAA determined that this proposed AD would not have federalism implications under Executive Order 13132. This proposed AD would not have a substantial direct effect 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.

For the reasons discussed above, I certify this proposed regulation:

(1) Is not a “significant regulatory action” under Executive Order 12866,

(2) Would not affect intrastate aviation in Alaska, and

(3) Would not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Incorporation by reference, Safety.

The Proposed Amendment

Accordingly, under the authority delegated to me by the Administrator, the FAA proposes to amend 14 CFR part 39 as follows:

PART 39—AIRWORTHINESS DIRECTIVES

■ 1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

■ 2. The FAA amends § 39.13 by:

■ a. Removing Airworthiness Directive 2025–17–12, Amendment 39–23122 (90 FR 46330, September 26, 2025); and

■ b. Adding the following new airworthiness directive:

Bombardier, Inc.: Docket No. FAA–2025–3435; Project Identifier MCAI–2025–01602–T.

(a) Comments Due Date

The FAA must receive comments on this airworthiness directive (AD) by November 20, 2025.

(b) Affected ADs

This AD replaces AD 2025–17–12, Amendment 39–23122 (90 FR 46330, September 26, 2025) (AD 2025–17–12).

(c) Applicability

This AD applies to the Bombardier, Inc., airplanes identified in paragraphs (c)(1) through (3) of this AD, certificated in any category.

(1) All Model CL–600–1A11 (600), CL–600–2A12 (601), and CL–600–2B16 (601–3A and 601–3R Variants) airplanes.

(2) Model CL–600–2B16 (604 Variant) airplanes, serial numbers (S/Ns) 5301 through 5665 inclusive and S/Ns 5701 through 6049 inclusive.

(3) Model CL–600–2B16 (604 Variant) airplanes, S/Ns 6050 through 6192 inclusive.

(d) Subject

Air Transport Association (ATA) of America Code 05, Time Limits/Maintenance Checks.

(e) Unsafe Condition

This AD was prompted by a determination that new or more restrictive airworthiness limitations are necessary. The FAA is issuing this AD to address new or more restrictive limitations. Failure to comply with these new or more restrictive limitations could adversely affect the continued airworthiness of the airplane.

(f) Compliance

Comply with this AD within the compliance times specified, unless already done.

(g) Retained Revision of the Existing Maintenance or Inspection Program for Certain Airplanes, With Removal of References to S/Ns 5301 Through 6049 Inclusive

This paragraph restates the requirements of paragraph (g) of AD 2025–17–12, with removal of references to S/Ns 5301 through 6049 inclusive. For airplanes identified in paragraphs (c)(1) and (3) of this AD, comply with paragraphs (g)(1) and (2) of this AD.

(1) Within 90 days after October 31, 2025 (the effective date of AD 2025–17–12), revise the existing maintenance or inspection program, as applicable, to incorporate the information specified in the applicable time limits/maintenance checks (TLMC) document identified in table 1 to paragraph (g)(1) of this AD. The initial compliance time for doing the tasks is at the time specified in the applicable TLMC document identified in table 1 to paragraph (g)(1) of this AD, or within 90 days after October 31, 2025, whichever occurs later.

TABLE 1 TO PARAGRAPH (g)(1)—TLMC DOCUMENTS

Applicable airplanes	TLMC sections or parts	TLMC document
Bombardier, Inc., Model CL–600–1A11 (600) airplanes, serial numbers (S/Ns) 1004 through 1085 inclusive.	Section 5–10–00, “Airworthiness Limitations,”	Bombardier Challenger 600 TLMC, Publication No. PSP 605, Revision 39, January 8, 2018. ¹
Bombardier, Inc., Model CL–600–2A12 (601) airplanes, S/Ns 3001 through 3066 inclusive.	Section 5–10–00, “Airworthiness Limitations,”	Bombardier Challenger 601 TLMC, Publication No. PSP 601-5, Revision 46, January 8, 2018. ²
Bombardier, Inc., Model CL–600–2B16 (601–3A Variant) airplanes, S/Ns 5001 through 5134 inclusive; and Model CL–600–2B16 (601–3R Variant) airplanes, S/Ns 5135 through 5194 inclusive.	Section 5–10–00, “Airworthiness Limitations,”	Bombardier Challenger 601 TLMC, Publication No. PSP 601A–5, Revision 42, January 8, 2018. ³
Bombardier, Inc., Model CL–600–2B16 (604 Variant) airplanes, S/Ns 6050 through 6180 inclusive.	Part 2, “Airworthiness Limitations”	Bombardier Challenger 650 TLMC, Publication No. CH 650 TLMC, Revision 9, November 22, 2022.

¹For obtaining these sections of Bombardier Challenger 600 TLMC, Publication No. PSP 605, use Document Identification No. CH 600 TLMC.

²For obtaining these sections of Bombardier Challenger 601 TLMC, Publication No. PSP 601–5, use Document Identification No. CH 601 TLMC.

³For obtaining these sections of Bombardier Challenger 601 TLMC, Publication No. PSP 601A–5, use Document Identification No. CH 601 TLMC–1.

(2) Within 90 days after October 31, 2025 (the effective date of AD 2025–17–12), revise the existing maintenance or inspection program, as applicable, to incorporate the

information specified in the applicable temporary revisions (TRs) identified in table 2 to paragraph (g)(2) of this AD. The initial compliance time for doing the tasks is at the

time specified in the applicable TR identified in table 2 to paragraph (g)(2) of this AD, or within 90 days after October 31, 2025, whichever occurs later.

TABLE 2 TO PARAGRAPH (g)(2)—TEMPORARY REVISIONS

Applicable airplanes	TR	Task No. and Title or life limit Part No. (P/N) and name
Bombardier, Inc., Model CL–600–1A11 (600) airplanes, S/Ns 1004 through 1085 inclusive.	Bombardier Temporary Revision No. TR 5-164, dated December 23, 2022.	53–10–01–102*, Forward Pressure Bulkhead Cap Angle—Aft Side.
Bombardier, Inc., Model CL–600–1A11 (600) airplanes, S/Ns 1004 through 1085 inclusive.	Bombardier Temporary Revision No. TR 5-165, dated October 25, 2023.	B0201102–2–220, Rudder Pedal Potentiometer Coupling Setscrews.
Bombardier, Inc., Model CL–600–2A12 (601) airplanes, S/Ns 3001 through 3066 inclusive.	Bombardier Temporary Revision No. TR 5-268, dated December 23, 2022.	53–10–01–103*, Forward Pressure Bulkhead Cap Angle—Aft Side.
Bombardier, Inc., Model CL–600–2A12 (601) airplanes, S/Ns 3001 through 3066 inclusive.	Bombardier Temporary Revision No. TR 5-269, dated October 25, 2023.	B0201102–2–220, Rudder Pedal Potentiometer Coupling Setscrews.

TABLE 2 TO PARAGRAPH (g)(2)—TEMPORARY REVISIONS—Continued

Applicable airplanes	TR	Task No. and Title or life limit Part No. (P/N) and name
Bombardier, Inc., Model CL–600–2B16 (601–3A Variant) airplanes, S/Ns 5001 through 5134 inclusive; and Model CL–600–2B16 (601–3R Variant) airplanes, S/Ns 5135 through 5194 inclusive.	Bombardier Temporary Revision No. TR 5-282, dated December 23, 2022.	53–10–01–103*, Forward Pressure Bulkhead Cap Angle—Aft Side.
Bombardier, Inc., Model CL–600–2B16 (601–3A Variant) airplanes, S/Ns 5001 through 5134 inclusive; and Model CL–600–2B16 (601–3R Variant) airplanes, S/Ns 5135 through 5194 inclusive.	Bombardier Temporary Revision No. TR 5-283, dated October 25, 2023.	B0201102–2–220, Rudder Pedal Potentiometer Coupling Setscrews.
Bombardier, Inc., Model CL–600–2B16 (604 Variant) airplanes, S/Ns 6050 through 6192, inclusive.	Bombardier Temporary Revision No. 5-2–5, dated October 16, 2023.	32–51–04–101*, Discard of the Nosewheel-Steering Control Potentiometer Coupling Setscrews, Part No. B0201102–2–220 (A/C 6194 and Subs or Post SB 650–32–007).

Note 1 to table 2 to paragraph (g)(2): The asterisk (or “one star”) with the last three digits of the task numbers listed in table 2 to paragraph (g)(2) of this AD indicates that the task is an airworthiness limitation task.

(h) Retained No Alternative Actions and Intervals, With No Changes

This paragraph restates the requirements of paragraph (i) of AD 2025–17–12, with no changes. After the existing maintenance or inspection program has been revised as required by paragraph (g) of this AD, no

alternative actions (e.g., inspections) or intervals may be used unless the actions or intervals are approved as an alternative method of compliance (AMOC) in accordance with the procedures specified in paragraph (l)(1) of this AD

(i) New Revision of the Existing Maintenance or Inspection Program for Certain Airplanes

For airplanes identified in paragraph (c)(2) of this AD: Comply with paragraphs (i)(1) and (2) of this AD.

(1) Within 90 days after the effective date of this AD, revise the existing maintenance or inspection program, as applicable, to incorporate the information specified in the applicable TLMC document identified in table 3 to paragraph (i)(1) of this AD. The initial compliance time for doing the tasks is at the time specified in the applicable TLMC document identified in table 3 to paragraph (i)(1) of this AD, or within 90 days after the effective date of this AD, whichever occurs later, except as provided by paragraph (j) of this AD.

TABLE 3 TO PARAGRAPH (i)(1)—TLMC DOCUMENTS

Applicable airplanes	TLMC sections or parts	TLMC document
Bombardier, Inc., Model CL–600–2B16 (604 Variant) airplanes, S/Ns 5301 through 5665 inclusive.	Part 2, “Airworthiness Limitations”	Bombardier Challenger 604 TLMC, Publication No. CH 604 TLMC, Revision 33, November 22, 2022. ¹
Bombardier, Inc., Model CL–600–2B16 (604 Variant) airplanes, S/Ns 5701 through 6049 inclusive.	Part 2, “Airworthiness Limitations”	Bombardier Challenger 605 TLMC, Publication No. CH 605 TLMC, Revision 22, November 22, 2022.

¹ The document identification number for ordering Bombardier Challenger 604 TLMC, Publication No. CH 604 TLMC is incorrectly identified as “CH 600 TLMC” on page 2 of the TLMC. For obtaining Part 2 of Bombardier Challenger 604 TLMC, Publication No. CH 604 TLMC, use Document Identification No. CH 604 TLMC.

(2) Within 90 days after the effective date of this AD, revise the existing maintenance or inspection program, as applicable, to incorporate the information specified in the

applicable TRs identified in table 4 to paragraph (i)(2) of this AD. The initial compliance time for doing the tasks is at the time specified in the applicable TR identified

in table 4 to paragraph (i)(2) of this AD, or within 90 days after the effective date of this AD, whichever occurs later.

TABLE 4 TO PARAGRAPH (i)(2)—TEMPORARY REVISIONS

Applicable airplanes	TR	Task No. and title or life limit Part No. (P/N) and name
Bombardier, Inc., Model CL–600–2B16 (604 Variant) airplanes, S/Ns 5301 through 5665 inclusive.	Bombardier Temporary Revision No. 5-2–73, dated October 25, 2023.	32–51–04–101*, Discard of the Nosewheel-Steering Control Potentiometer Coupling Setscrews, Part No. B0201102–2–220 (Post SB 604–32–033).
Bombardier, Inc., Model CL–600–2B16 (604 Variant) airplanes, S/Ns 5701 through 6049 inclusive.	Bombardier Temporary Revision No. 5-2–29, dated October 25, 2023.	32–51–04–101*, Discard of the Nosewheel-Steering Control Potentiometer Coupling Setscrews, Part No. B0201102–2–220 (Post SB 605–32–010).

Note 2 to table 4 to paragraph (i)(2): The asterisk (or “one star”) with the last three digits of the task numbers listed in table 4 to paragraph (i)(2) of this AD indicates that the task is an airworthiness limitation task.

(j) Compliance Time Exception for a Certain Task

For airplanes identified in paragraph (c)(2) of this AD: The initial compliance time for task 27–42–01–110, “Special Detailed Inspection of the Horizontal Stabilizer Trim Actuator (HSTA), P/N 604–92305–7 and Subs (Vendor P/N 8454–3 and Subs),” of section 5–10–40, “Certification Maintenance Requirements,” of Part 2, “Airworthiness

Limitations,” of Bombardier Challenger 604 TLMC, Publication No. CH 604 TLMC, Revision 33, dated November 22, 2022; or Bombardier Challenger 605 TLMC, Publication No. CH 605 TLMC, Revision 22, dated November 22, 2022; as applicable, is at the applicable compliance time specified in paragraph (j)(1) or (2) of this AD, or within 90 days after the effective date of this AD, whichever occurs later.

(1) For HSTA having P/N 604–92305–3 (vendor P/N 8454–1) or P/N 604–92305–5 (vendor P/N 8454–2) that were replaced with P/N 604–92305–7 (vendor P/N 8454–3) in accordance with paragraph (j) of AD 2015–05–07, Amendment 39–18117 (80 FR 13483,

March 16, 2015); Within 12 years after accomplishing the replacement.

(2) For HSTA having P/N 604–92305–7 (vendor P/N 8454–3) manufactured before November 1, 2015: Within 12 years from the part entry into service.

(k) New No Alternative Actions or Intervals

After the existing maintenance or inspection program has been revised as required by paragraph (i) of this AD, no alternative actions (e.g., inspections) or intervals may be used unless the actions or intervals are approved as an AMOC in accordance with the procedures specified in paragraph (l)(1) of this AD.

(l) Additional AD Provisions

The following provisions also apply to this AD:

(1) *Alternative Methods of Compliance (AMOCs)*: The Manager, International Validation Branch, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or responsible Flight Standards Office, as appropriate. If sending information directly to the manager of the International Validation Branch, send it to the attention of the person identified in paragraph (m) of this AD and email to: AMOC@faa.gov. Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the responsible Flight Standards Office.

(2) *Contacting the Manufacturer*: For any requirement in this AD to obtain instructions from a manufacturer, the instructions must be accomplished using a method approved by the Manager, International Validation Branch, FAA; or Transport Canada; or Bombardier's Transport Canada Design Approval Organization (DAO). If approved by the DAO, the approval must include the DAO-authorized signature.

(m) Additional Information

For more information about this AD, contact Brenda L. Buitrago, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: 516-228 7300; email: 9-avs-nyaco-cos@faa.gov.

(n) Material Incorporated by Reference

(1) The Director of the Federal Register approved the incorporation by reference (IBR) of the material listed in this paragraph under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) You must use this material as applicable to do the actions required by this AD, unless this AD specifies otherwise.

(3) The following material was approved for IBR on October 31, 2025 (90 FR 46330, September 26, 2025).

(i) Section 5-10-00, "Airworthiness Limitations," of Bombardier Challenger 600 Time Limits/Maintenance Checks (TLMC), Publication No. PSP 605, Revision 39, dated January 8, 2018.

Note 3 to paragraph (n)(3)(i): For obtaining this section of Bombardier Challenger 600 TLMC, Publication No. PSP 605, use Document Identification No. CH 600 TLMC.

(ii) Section 5-10-00, "Airworthiness Limitations," of Bombardier Challenger 601 TLMC, Publication No. PSP 601-5, Revision 46, dated January 8, 2018.

Note 4 to paragraph (n)(3)(ii): For obtaining this section of Bombardier Challenger 601 TLMC, Publication No. PSP 601-5, use Document Identification No. CH 601 TLMC.

(iii) Section 5-10-00, "Airworthiness Limitations," of Bombardier Challenger 601 TLMC, Publication No. PSP 601A-5, Revision 42, dated January 8, 2018.

Note 5 to paragraph (n)(3)(iii): For obtaining this section of Bombardier Challenger 601 TLMC, Publication No. PSP 601A-5, use Document Identification No. CH 601 TLMC-1.

(iv) Part 2, "Airworthiness Limitations," of Bombardier Challenger 604 TLMC,

Publication No. CH 604 TLMC, Revision 33, dated November 22, 2022.

Note 6 to paragraph (n)(3)(iv): The document identification number for ordering Bombardier Challenger 604 TLMC, Publication No. CH 604 TLMC is incorrectly identified as "CH 600 TLMC" on page 2 of the TLMC. For obtaining Part 2 of Bombardier Challenger 604 TLMC, Publication No. CH 604 TLMC, use Document Identification No. CH 604 TLMC.

(v) Part 2, "Airworthiness Limitations," of Bombardier Challenger 605 TLMC, Publication No. CH 605 TLMC, Revision 22, dated November 22, 2022.

(vi) Part 2, "Airworthiness Limitations," of Bombardier Challenger 650 TLMC, Publication No. CH 650 TLMC, Revision 9, dated November 22, 2022.

(vii) Bombardier Temporary Revision No. 5-2-5, dated October 16, 2023.

(viii) Bombardier Temporary Revision No. 5-2-29, dated October 25, 2023.

(ix) Bombardier Temporary Revision No. 5-2-73, dated October 25, 2023.

(x) Bombardier Temporary Revision No. TR 5-164, dated December 23, 2022.

(xi) Bombardier Temporary Revision No. TR 5-165, dated October 25, 2023.

(xii) Bombardier Temporary Revision No. TR 5-268, dated December 23, 2022.

(xiii) Bombardier Temporary Revision No. TR 5-269, dated October 25, 2023.

(xiv) Bombardier Temporary Revision No. TR 5-282, dated December 23, 2022.

(xv) Bombardier Temporary Revision No. TR 5-283, dated October 25, 2023.

(4) For Bombardier material identified in this AD, contact Bombardier Business Aircraft Customer Response Center, 400 Côte-Vertu Road West, Dorval, Québec H4S 1Y9, Canada; telephone 514-855-2999; email ac.yul@aero.bombardier.com; website <https://my.bombardier.com/>.

(5) You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 2200 South 216th St., Des Moines, WA. For information on the availability of this material at the FAA, call 206-231-3195.

(6) You may view this material at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, visit www.archives.gov/federal-register/cfr/ibr-locations or email fr.inspection@nara.gov.

Issued on October 16, 2025.

Christopher R. Parker,

Acting Deputy Director, Compliance & Airworthiness Division, Aircraft Certification Service.

[FR Doc. 2025-19609 Filed 10-20-25; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF ENERGY**Federal Energy Regulatory Commission**

18 CFR Parts 2, 5, 36, 131, 153, 156, 157, 287, 300, 366, 375, and 385

[Docket No. RM25-14-000]

Implementation of the Executive Order Entitled "Zero-Based Regulatory Budgeting To Unleash American Energy"

AGENCY: Federal Energy Regulatory Commission.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Commission is proposing to amend its regulations to insert a conditional sunset date into certain regulations in response to Executive Order (E.O.) 14270, "Zero-Based Regulatory Budgeting to Unleash American Energy."

DATES: Comments are due November 20, 2025.

ADDRESSES: Comments, identified by docket number, may be filed in the following ways. Electronic filing through <http://www.ferc.gov>, is preferred.

- *Electronic Filing:* Documents must be filed in acceptable native applications and print-to-PDF, but not in scanned or picture format.

- For those unable to file electronically, comments may be filed by USPS mail or by hand (including courier) delivery.

- *Mail via U.S. Postal Service Only:*

Addressed to: Federal Energy Regulatory Commission, Secretary of the Commission, 888 First Street NE, Washington, DC 20426.

- *Hand (Including Courier) Delivery:* Deliver to: Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, MD 20852.

The Comment Procedures Section of this document contains more detailed filing procedures.

FOR FURTHER INFORMATION CONTACT:

Richard Lehfelddt, Office of the General Counsel, Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426, (202) 502-6592, richard.lehfelddt@ferc.gov.

Karin Herzfeld, Office of the General Counsel, Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426, (202) 502-8459, karin.herzfeld@ferc.gov.

SUPPLEMENTARY INFORMATION:

1. In this Notice of Proposed Rulemaking (NOPR), the Federal Energy Regulatory Commission (Commission) acts to provide for consideration of any

significant adverse comments submitted in response to a companion direct final rule, issued concurrently with this NOPR. The direct final rule inserts, into the specific regulations identified therein, a sunset provision that establishes a conditional sunset date that is one year after the effective date of that rule, and provides that the Commission will offer the public an opportunity to comment on the costs and benefits of the regulations to be conditionally sunset prior to the sunset date. Following the sunset date, the Commission will consider sunset regulations to no longer be effective, will not seek to enforce sunset regulations, and will remove the sunset regulations from the *Code of Federal Regulations* and make necessary conforming changes. This NOPR ensures that the Commission has a proceeding through which it can consider any significant adverse comments that might be filed in response to the direct final rule and determine whether to proceed with finalizing specific sunset regulations. Through this action and the companion direct final rule, the Commission responds to Executive Order (E.O.) 14270, “Zero-Based Regulatory Budgeting to Unleash American Energy,” and sunsets outdated and unnecessary regulations to eliminate unwarranted regulatory burdens and better harmonize the Commission’s regulations with its underlying statutory authorities.

I. Rulemaking Procedure

2. The Commission is publishing this proposed rule concurrently with a direct final rule in the Rules and Regulations section of this issue of the **Federal Register**. Because the Commission does not anticipate significant public comments on this action and considers it to be non-controversial, the direct final rule will become effective on December 5, 2025. However, if the Commission receives significant adverse comments on any part of the direct final rule by November 20, 2025, then the Commission will publish a document that withdraws any such part of the direct final rule and will address the comments in a subsequent final rule. Absent significant modifications to the proposed revisions requiring republication, the Commission will not initiate a second comment period on this action.

3. A significant adverse comment is a comment where the commenter explains why the rule (or part of the rule) would be inappropriate, including challenges to the rule’s underlying premise or approach, or would be

ineffective or unacceptable without a change. A comment is adverse and significant if:

(1) The comment opposes the rule (or part of the rule) and provides a reason sufficient to require a substantive response in a notice-and-comment process.

For example, a substantive response is required when:

(a) The comment causes the Commission to reevaluate (or reconsider) its position or to conduct additional analysis;

(b) The comment raises an issue serious enough to warrant a substantive response to clarify or complete the record; or

(c) The comment raises a relevant issue that was not previously addressed or considered by the Commission.

(2) The comment proposes a change or an addition to the rule, and it is apparent that the rule would be ineffective or unacceptable without incorporation of the change or addition.

(3) The comment causes the Commission to make a change (other than editorial) to the rule.

For a more detailed discussion of the proposed rule changes and associated analyses, see the direct final rule published in the Rules and Regulations section of this issue of the **Federal Register**.

II. Background

4. Executive Order (E.O.) 14270, “Zero-Based Regulatory Budgeting to Unleash American Energy,”¹ directs the Commission to issue a rule inserting a conditional sunset date into each of its regulations that are in effect as of the date of the E.O. and were issued in whole or in part pursuant to the following statutes, as amended: the Federal Power Act of 1935, the Natural Gas Act of 1938, and the Powerplant and Industrial Fuel Use Act of 1978.² The E.O. describes the conditional sunset date for covered regulations to be one year after the effective date of the rule. The E.O. directs the Commission to issue the rule “to the extent consistent with applicable law” and provides that the E.O. does not apply to “regulatory permitting regimes authorized by statute.” This rule identifies regulations ripe for sunset that do not fit into one or more of the following three categories as covered by the E.O.: (1)

¹ 90 FR 15643 (Apr. 9, 2025).

² E.O. 14270 also directs the Commission, to the maximum extent consistent with law, to include a conditional sunset date in new regulations that would be covered by the E.O. Thus, the Commission will include a conditional sunset date in future regulations to which the E.O. would apply, consistent with the approach taken herein.

regulations that cannot be sunset “consistent with applicable law” because they are necessary to fulfill the Commission’s statutory mandates to ensure reliable, safe, secure, and economically efficient energy for consumers at a reasonable cost; (2) regulations that are part of the Commission’s “regulatory permitting regimes authorized by statute;”³ or (3) regulations that implement statutes other than the three specific statutes identified in the E.O.

5. Consistent with the goals of the E.O., this rule also identifies regulations that fall into one or more of the above three categories, but similarly, are not being used or no longer serve their original purpose. As explained in section III, “Discussion,” of the companion direct final rule, the Commission will also add a sunset provision to those regulations. A sunset date will allow these unused regulations to roll off the books. At the same time, if evidence emerges in the interim indicating a continued need for these regulations, the Commission can extend the sunset date as appropriate. Importantly, the Commission is also continuing its regulatory reform efforts through activities consistent with other executive orders, including E.O. 14192 (“Unleashing Prosperity Through Deregulation”) and E.O. 14154 (“Unleashing American Energy”).

6. The sunset provision will establish a conditional sunset date that is one year after the effective date of the direct final rule and provide that the Commission will offer the public an opportunity to comment on the costs and benefits of the regulations to be conditionally sunset prior to the sunset date. Following the sunset date, the Commission will consider sunset regulations to no longer be effective, will not seek to enforce sunset regulations, and will remove the sunset regulations from the *Code of Federal Regulations* and make necessary conforming changes. However, following the opportunity provided by the direct final rule and this proposed rule for the public to comment on the regulations’ costs and benefits, the Commission may extend the conditional sunset date if warranted.

III. Information Collection Statement

7. Information collection requirements are subject to review by the Office of Management and Budget (OMB) under section 3507(d) of the

³ For purposes of implementing this E.O., regulations that provide standards and requirements for Commission license and permit holders or applicants constitute the Commission’s “regulatory permitting regime.”

Paperwork Reduction Act of 1995. OMB's regulations require approval of certain information collection requirements imposed by agency rules. Upon approval of a collection of information, OMB will assign an OMB control number and expiration date. Respondents subject to the filing requirements will not be penalized for failing to respond to these collections of information unless the collections of information display a valid OMB control number.

8. This direct final rule does not implement any changes to the identified collections. In the event of any resultant regulatory changes that affect information collections, the Commission will implement changes to the collections through regular information collection processes, which include public comment opportunities.

IV. Environmental Analysis

9. The Commission is required to prepare an Environmental Assessment or an Environmental Impact Statement for any action that may have a significant adverse effect on the human environment.⁴ The Commission has categorically excluded certain actions from this requirement as not having a significant effect on the human environment. Included in the exclusion are rules that are clarifying, corrective, or procedural or that do not substantially change the effect of the regulations being amended. The actions proposed herein fall within this categorical exclusion in the Commission's regulations. To the extent that the amendments to any of the regulations herein (or future rescissions of the regulations) are not procedural in nature, the amendments may fall within other categorical exclusions in the Commission's regulations.⁸ Therefore, no Environmental Assessment or Environmental Impact Statement is required in connection with this rule.

V. Regulatory Flexibility Act

10. The Regulatory Flexibility Act of 1980 (RFA)⁵ generally requires a description and analysis of final rules that will have significant economic impact on a substantial number of small entities. The Commission is not required to perform this sort of analysis if the proposed activities within the final rule would not have such an effect. This rulemaking would add a "sunset provision" to certain regulations, many of which are outdated

seldomly used, or duplicative with other regulations, and therefore the impact is minimal.

11. Accordingly, pursuant to section 605(b) of the RFA,⁶ the Commission certifies that the regulations proposed herein should not have a significant economic impact on a substantial number of small entities.

VI. Regulatory Planning and Review

12. E.O. 12866 (Regulatory Planning and Review), as amended by E.O. 14215 (Ensuring Accountability for All Agencies) and reaffirmed by E.O. 13563 (Improving Regulation and Regulatory Review), directs agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying costs and benefits, reducing costs, harmonizing rules, and promoting flexibility. The Office of Information and Regulatory Affairs (OIRA) has determined this proposed regulatory action is a "significant regulatory action," under section 3(f) of E.O. 12866, as amended, though not economically significant under section 3(f)(1). Accordingly, OIRA has reviewed this proposed regulatory action for compliance with the analytical requirements of E.O. 12866. In general, this regulatory action is intended to simplify and improve stakeholders' interactions with the Commission by eliminating outdated, redundant, or unnecessarily burdensome requirements in the Commission's existing regulations. In addition, this final rule is considered a deregulatory action under E.O. 14192 (Unleashing Prosperity Through Deregulation).

VII. Comment Procedures

13. The Commission invites interested persons to submit comments on the matters and issues proposed in this notice to be adopted, including the costs and benefits of the regulations to be conditionally sunset. Comments are due November 20, 2025. Comments must refer to Docket No. RM25-14-000, and must include the commenter's name, the organization they represent, if applicable, and their address in their comments. All comments will be placed in the Commission's public files and may be viewed, printed, or downloaded remotely as described in the Document Availability section below. Commenters

on this proposal are not required to serve copies of their comments on other commenters.

14. The Commission encourages comments to be filed electronically via the eFiling link on the Commission's website at <http://www.ferc.gov>. The Commission accepts most standard word processing formats. Documents created electronically using word processing software must be filed in native applications or print-to-PDF format and not in a scanned format. Commenters filing electronically do not need to make a paper filing.

15. Commenters that are not able to file comments electronically may file an original of their comment by USPS mail or by courier or other delivery services. For submission sent via USPS only, filings should be mailed to: Federal Energy Regulatory Commission, Office of the Secretary, 888 First Street NE, Washington, DC 20426. Submission of filings other than by USPS should be delivered to: Federal Energy Regulatory Commission, 12225 Wilkins Avenue, Rockville, MD 20852.

VIII. Document Availability

16. 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>).

17. 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.

18. 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.

By direction of the Commission.

Issued: October 1, 2025.

Debbie-Anne A. Reese,
Secretary.

[FR Doc. 2025-19608 Filed 10-20-25; 8:45 am]

BILLING CODE 6717-01-P

⁴ *Reguls. Implementing the Nat'l Env't Pol'y Act*, Order No. 486, 52 FR 47897 (Dec. 17, 1987), FERC Stats. & Regs. ¶ 30,783 (1987) (cross-referenced at 41 FERC ¶ 61,284).

⁵ 5 U.S.C. 601-612.

⁶ 5 U.S.C. 605(b).

DEPARTMENT OF THE TREASURY**Internal Revenue Service****26 CFR Part 1**

[REG–109742–25]

RIN 1545–BR60

Domestically Controlled Qualified Investment Entities**AGENCY:** Internal Revenue Service (IRS), Treasury.**ACTION:** Notice of proposed rulemaking.

SUMMARY: This document contains proposed regulations that would modify existing regulations on the determination of whether a qualified investment entity is domestically controlled by removing a rule that looks to the shareholders of certain domestic corporations in determining whether foreign persons hold directly or indirectly stock in a qualified investment entity. The proposed regulations would primarily affect foreign persons that own stock in a qualified investment entity that would be a United States real property interest if the qualified investment entity were not domestically controlled.

DATES: Written or electronic comments and requests for a public hearing must be received by December 22, 2025.

ADDRESSES: Commenters are strongly encouraged to submit public comments electronically via the Federal eRulemaking Portal at <https://www.regulations.gov> (indicate IRS and REG–109742–25) by following the online instructions for submitting comments. Requests for a public hearing must be submitted as prescribed in the “Comments and Requests for a Public Hearing” section. Once submitted to the Federal eRulemaking Portal, comments cannot be edited or withdrawn. The Department of the Treasury (Treasury Department) and the IRS will publish for public availability any comments submitted to the IRS’s public docket. Send paper submissions to: CC:PA:01:PR (REG–109742–25), Room 5503, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044.

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, Andrew F. Gordon (or any other staff member in the Office of the Associate Chief Counsel (International)) at (202) 317–3800 (not a toll-free number); concerning submissions of comments, requests for a public hearing, and access to a public hearing, Publications and Regulations Section at (202) 317–6901

(not toll-free numbers) or by email to publichearings@irs.gov (preferred).

SUPPLEMENTARY INFORMATION:**Background**

Section 897(a)(1) of the Internal Revenue Code (Code) provides that gain or loss of a nonresident alien individual or foreign corporation from the disposition of a United States real property interest (USRPI) is taken into account under section 871(b)(1) or section 882(a)(1), as applicable, as if the nonresident alien individual or foreign corporation were engaged in a trade or business within the United States during the taxable year and such gain or loss were effectively connected with that trade or business.

Subject to certain exceptions, section 897(c)(1)(A) defines a USRPI as an interest in real property (including an interest in a mine, well, or other natural deposit) located in the United States or the Virgin Islands, and any interest (other than solely as a creditor) in any domestic corporation unless the taxpayer establishes that such corporation was at no time a United States real property holding corporation (USRPHC) during the period set forth in section 897(c)(1)(A)(ii) (generally, the five-year period ending on the date of the disposition of the interest). Under section 897(c)(2), a USRPHC is generally any corporation if the fair market value of its USRPIs equals or exceeds 50 percent of the total fair market value of its USRPIs, its interests in real property located outside the United States, plus any other of its assets that are used or held for use in a trade or business.

Section 897(h)(1) provides that any distribution by a qualified investment entity (QIE) to a nonresident alien individual, a foreign corporation, or other QIE, to the extent attributable to gain from sales or exchanges by the QIE of USRPIs, is treated as gain recognized by such nonresident alien individual, foreign corporation, or other QIE from the sale or exchange of a USRPI, subject to certain exceptions. Section 897(h)(4)(A) defines a QIE as any (i) real estate investment trust (REIT), and (ii) any regulated investment company (RIC) which is a USRPHC or which would be a USRPHC if the exceptions in section 897(c)(3) and (h)(2) did not apply to interests in any REIT or RIC.

Section 897(h)(2) provides that a USRPI does not include an interest in a domestically controlled QIE (DC–QIE exception). Accordingly, gain or loss on the disposition of stock in a domestically controlled QIE is not subject to section 897(a). Section 897(h)(4)(B) provides that a QIE is domestically controlled if less than 50

percent of the value of its stock is held directly or indirectly by foreign persons at all times during the testing period prescribed in section 897(h)(4)(D) (generally, the five-year period ending on the date of the disposition).

On December 29, 2022, the Treasury Department and the IRS published proposed regulations (REG–100442–22) in the **Federal Register** (87 FR 80097) that set forth rules for determining whether stock of a QIE is considered “held directly or indirectly” by foreign persons for purposes of defining a domestically controlled QIE under section 897(h)(4)(B) (2022 proposed regulations). The 2022 proposed regulations defined stock in a QIE that is held “indirectly” by taking into account stock of the QIE held through certain entities under a limited “look-through” approach. Under that approach, only a “non-look-through person” is treated as holding directly or indirectly stock of a QIE, and stock of a QIE held by or through one or more intervening “look-through persons” is treated as held proportionately by the look-through person’s ultimate owners that are non-look-through persons.

The 2022 proposed regulations generally treated a “domestic C corporation,” defined as any domestic corporation other than a RIC, REIT, or an S corporation, as a non-look-through person. However, the 2022 proposed regulations treated certain “non-publicly traded domestic C corporations” as look-through persons if foreign persons hold a 25 percent or greater interest (by value) in the stock of the corporation (domestic corporation look-through rule).

On April 24, 2024, the Treasury Department and the IRS published TD 9992 in the **Federal Register** (89 FR 31618) (2024 final regulations), which finalized the 2022 proposed regulations. The 2024 final regulations retained the general approach and structure of the 2022 proposed regulations with certain revisions. In particular, under the 2024 final regulations the domestic corporation look-through rule applies if foreign persons hold a more than 50 percent interest (by value) in the stock of the corporation. See § 1.897–1(c)(3)(iii)(B) and (c)(3)(v)(B). The 2024 final regulations also include a transition rule that exempts existing QIEs from the application of the domestic corporation look-through rule for a 10-year period, provided that there is not a significant change in the USRPIs held by the QIE or in the QIE’s ownership. See § 1.897–1(c)(3)(vi).

Explanation of Provisions

I. Removal of Domestic Corporation Look-Through Rule

Following the publication of the 2024 final regulations, the Treasury Department and the IRS received feedback from taxpayers recommending the withdrawal of the domestic corporation look-through rule, focusing on the practical difficulty of tracing upstream ownership, often without access to reliable data, resulting in legal uncertainty, operational complexity, and potentially chilling effects on investment in U.S. real estate. The Treasury Department and the IRS share these concerns.

In addition, taxpayers argued that the domestic corporation look-through rule is inconsistent with the statute and conflicts with congressional intent. They noted that within the domestically controlled QIE provisions, section 897(h)(4)(B) does not contain explicit corporate look-through rules and that Congress enacted rules in 2015 providing for look-through treatment for certain corporate owners of QIEs, but only in the specific circumstances described in section 897(h)(4)(E). They argued that the presence of the look-through rules in section 897(h)(4)(E) (and in other areas under section 897) indicates that the absence of a similar rule in section 897(h)(4)(B) was intentional, and that interpreting section 897(h)(4)(B) to include corporate look-through rules would render the section 897(h)(4)(E) look-through rules surplus. The recommendations emphasized that the term “indirectly” can have meanings in the Code other than look-through treatment of domestic corporations. They further argued that the interests held by a domestic corporation are subject to U.S. corporate income tax and therefore the objective of section 897 is satisfied without looking through a domestic corporation.

In response to the feedback received, the Treasury Department and the IRS have further considered whether the interpretation of “indirectly” reflected in the domestic corporation look-through rule is consistent with the statutory text and purpose of the DC-QIE exception, which Congress intended to be available for QIEs that are controlled by United States persons. In light of this further consideration, the Treasury Department and the IRS are of the view that imposing look-through treatment under the domestic corporation look-through rule with respect to an entity that is subject to U.S. taxation based on a strict 50-percent foreign ownership threshold is not the construction that should be

given to the text of section 897(h)(4)(B), as informed by the traditional tools of statutory construction, including evaluation of the provision’s purpose.

Accordingly, the proposed regulations would remove the domestic corporation look-through rule and treat all domestic C corporations as non-look-through persons in determining whether a QIE is domestically controlled. The proposed regulations would also provide for various conforming revisions to § 1.897-1(c)(3) that are necessary because of the removal of the domestic corporation look-through rule.

II. Applicability Date

The proposed regulations, upon finalization, would apply to transactions occurring on or after October 20, 2025. However, taxpayers may choose to apply the final regulations, once published in the **Federal Register**, to transactions occurring on or after April 25, 2024 (and to transactions occurring before April 25, 2024, resulting from an entity classification election under § 301.7701-3 of this chapter that was effective on or before April 25, 2024, but was filed on or after April 25, 2024). Taxpayers may rely on the proposed regulations for transactions occurring before the date the proposed regulations are finalized.

Special Analyses

I. Regulatory Planning and Review—Economic Analysis

The proposed regulations are not subject to review under section 6(b) of Executive Order 12866 pursuant to the Memorandum of Agreement (July 4, 2025) between the Treasury Department and the Office of Management and Budget (OMB) regarding review of tax regulations.

II. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520) (PRA) generally requires that a Federal agency obtain the approval of the OMB before collecting information from the public, whether such collection of information is mandatory, voluntary, or required to obtain or retain a benefit. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by the OMB.

The existing collection of information requirement in § 1.1445-2(c)(3) is a statement provided by a domestic corporation that certifies that an interest in such corporation is not a U.S. real property interest. Section 1.1445-2(c)(3) also provides that the same procedure

may be used by a domestic corporation to certify that it is a domestically controlled QIE (as determined under § 1.897-1(c)(3)), as long as the certification is voluntarily issued and otherwise complies with the requirements in § 1.897-2(h).

The proposed regulations do not modify any existing information collection requirements or create new or additional information collection requirements. For purposes of the PRA, the reporting burden associated with the collections of information in § 1.1445-2(c)(3) is reflected in the PRA submissions associated with the section 1445 regulations (OMB control number 1545-0902).

III. Regulatory Flexibility Act

When an agency issues a rulemaking proposal, the Regulatory Flexibility Act (5 U.S.C. chapter 6) (RFA) requires the agency to prepare and make available for public comment an initial regulatory flexibility analysis that will describe the impact of the proposed rule on small entities. See 5 U.S.C. 603(a). Section 605 of the RFA provides an exception to this requirement if the agency certifies that the proposed rulemaking will not have a significant economic impact on a substantial number of small entities. A small entity is defined as a small business, small nonprofit organization, or small governmental jurisdiction. See 5 U.S.C. 601(3) through (6).

The proposed regulations would remove the domestic corporation look-through rule and, therefore, a domestic C corporation would be treated as a non-look-through person in determining whether a QIE is domestically controlled. Data on the number of small entities potentially affected by the proposed regulations is not readily available. Even if a substantial number of small entities would be affected, the economic impact is not expected to be significant. The Treasury Department and the IRS are of the view that the proposed regulations will reduce the economic impact on small entities by reducing compliance burdens. Accordingly, a regulatory flexibility analysis is not required.

Notwithstanding this certification, the Treasury Department and the IRS welcome comments about the impacts of these regulations on small entities.

IV. Section 7805(f)

Pursuant to section 7805(f) of the Code, the proposed regulations (REG-109742-25) have been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small businesses.

V. Unfunded Mandates Reform Act

Section 202 of the Unfunded Mandates Reform Act of 1995 requires that agencies assess anticipated costs and benefits and take certain other actions before issuing a final rule that includes any Federal mandate that may result in expenditures in any one year by a State, local, or Tribal government, in the aggregate, or by the private sector, of \$100 million in 1995 dollars, updated annually for inflation. The proposed regulations do not include any Federal mandate that may result in expenditures by State, local, or Tribal governments, or by the private sector in excess of that threshold.

VI. Executive Order 13132: Federalism

Executive Order 13132 (entitled "Federalism") prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial, direct compliance costs on State and local governments, and is not required by statute, or preempts State law, unless the agency meets the consultation and funding requirements of section 6 of the Executive order. The proposed regulations do not have federalism implications, do not impose substantial direct compliance costs on State and local governments, and do not preempt State law within the meaning of the Executive order.

Comments and Requests for a Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any comments that are submitted timely to the IRS as prescribed in this preamble under the ADDRESSES heading. The Treasury Department and the IRS request comments on all aspects of the proposed regulations. Any comments submitted will be made available at http://www.regulations.gov or upon request.

A public hearing will be scheduled if requested in writing by any person who timely submits electronic or written comments. Requests for a public hearing are also encouraged to be made electronically. If a public hearing is scheduled, notice of the date and time for the public hearing will be published in the Federal Register.

Drafting Information

The principal author of the proposed regulations is the Office of the Associate Chief Counsel (International). However, other personnel from the Treasury Department and the IRS participated in their development.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Proposed Amendments to the Regulations

Accordingly, the Treasury Department and the IRS propose to amend 26 CFR part 1 as follows:

PART 1—INCOME TAXES

■ Paragraph 1. The authority citation for part 1 continues to read, in part, as follows:

Authority: 26 U.S.C. 7805 * * *

■ Par. 2. Section 1.897-1 is amended by:

- 1. Revising paragraphs (a)(2) and (c)(3)(iii)(A);
- 2. Removing paragraph (c)(3)(iii)(B) and redesignating paragraph (c)(3)(iii)(C) as paragraph (c)(3)(iii)(B);
- 3. Revising the last sentence of newly redesignated paragraph (c)(3)(iii)(B);
- 4. Removing the language "see paragraph (c)(3)(vii)(A)" in the second sentence of paragraph (c)(3)(iv)(A) and adding "see paragraph (c)(3)(vi)(A)" in its place;
- 5. Revising paragraph (c)(3)(v)(B);
- 6. Removing the last sentence in paragraph (c)(3)(v)(C);
- 7. Revising paragraph (c)(3)(v)(D);
- 8. Removing paragraph (c)(3)(v)(E) and redesignating paragraph (c)(3)(v)(F) as paragraph (c)(3)(v)(E);
- 9. Removing paragraph (c)(3)(v)(G) and redesignating paragraphs (c)(3)(v)(H) through (J) as paragraphs (c)(3)(v)(F) through (H);
- 10. Revising the last sentence of newly redesignated paragraphs (c)(3)(v)(G) and (H);
- 11. Redesignating paragraphs (c)(3)(v)(K) through (O) as paragraphs (c)(3)(v)(I) through (M);
- 12. Removing paragraph (c)(3)(vi) and redesignating paragraph (c)(3)(vii) as paragraph (c)(3)(vi);
- 13. Revising the newly redesignated paragraph (c)(3)(vi); and
- 14. Removing the language "paragraph (c)(3)(ii) through (vii)" in paragraph (c)(4) and adding "paragraph (c)(3)(ii) through (vi)" in its place.

The revisions read as follows:

§ 1.897-1 Taxation of foreign investment in United States real property interests, definition of terms.

(a) * * *

(2) Applicability date. Except as otherwise provided in this paragraph (a)(2), the regulations set forth in this section and §§ 1.897-2 through 1.897-4 apply to transactions occurring after June 18, 1980. Paragraphs (c)(3) and (4) of this section apply to transactions

occurring on or after October 20, 2025. For transactions occurring before October 20, 2025, see paragraphs (c)(3) and (4) of this section contained in 26 CFR part 1, as revised April 1, 2025. With respect to transactions occurring before October 20, 2025, taxpayers may apply paragraphs (c)(3) and (4) of this section for transactions occurring on or after April 25, 2024, and transactions occurring before April 25, 2024, resulting from an entity classification election under § 301.7701-3 of this chapter that was effective on or before April 25, 2024, but was filed on or after April 25, 2024. Paragraphs (k) and (l) of this section apply to transactions occurring on or after April 25, 2024, and transactions occurring before April 25, 2024, resulting from an entity classification election under § 301.7701-3 of this chapter that was effective on or before April 25, 2024, but was filed on or after April 25, 2024. For transactions occurring before April 25, 2024, see paragraphs (c)(2)(i) and (l) of this section and § 1.897-9T(c) contained in 26 CFR part 1, as revised April 1, 2024.

* * * * *

- (c) * * *
- (3) * * *
- (iii) * * *

(A) Certain holders of U.S. publicly traded QIE stock. Notwithstanding any other provision of this paragraph (c)(3), a person holding less than five percent of U.S. publicly traded stock of a QIE at all times during the testing period, determined without regard to paragraph (c)(3)(ii)(A) of this section, is treated as a United States person that is a non-look-through person with respect to that stock, unless the QIE has actual knowledge that such person is not a United States person or has actual knowledge that such person is a look-through person that is a foreign-controlled entity. For an example illustrating the application of this paragraph (c)(3)(iii)(A), see paragraph (c)(3)(vi)(B) of this section (Example 2).

(B) * * * For an example illustrating the application of this paragraph (c)(3)(iii)(B), see paragraph (c)(3)(vi)(B) of this section (Example 2).

* * * * *

- (v) * * *

(B) A foreign-controlled entity is any entity in which foreign persons hold directly or indirectly more than 50 percent of the fair market value of the entity's outstanding interests. For purposes of determining whether an entity is a foreign-controlled entity, the rules of paragraphs (c)(3)(ii)(A) through (C), (c)(3)(iii)(A) and (B), and (c)(3)(iv) of

this section apply (treating the entity as if it were a QIE for this purpose).

* * * * *

(D) A *non-look-through person* is an individual, a domestic C corporation, a nontaxable holder, a foreign corporation (including a foreign government pursuant to section 892(a)(3)), a publicly traded partnership (domestic or foreign), a public RIC, an estate (domestic or foreign), an international organization (as defined in section 7701(a)(18)), a qualified foreign pension fund (including any part of a qualified foreign pension fund), or a qualified controlled entity. For special rules that treat certain holders of QIE stock as non-look-through persons, see paragraphs (c)(3)(iii)(A) and (B) of this section.

* * * * *

(G) * * * A RIC is not a public RIC, however, if the QIE whose status as domestically controlled is being determined under this paragraph (c)(3) has actual knowledge that the RIC is a foreign-controlled entity.

(H) * * * A domestic partnership is not a publicly traded partnership, however, if the QIE whose status as domestically controlled is being determined under this paragraph (c)(3) has actual knowledge that the domestic partnership is a foreign-controlled entity.

* * * * *

(vi) *Examples.* The rules of this paragraph (c)(3) are illustrated by the following examples. It is assumed that each entity has a single class of stock or other ownership interests, that the ownership described existed throughout the relevant testing period and that, unless otherwise stated, a QIE is not a public QIE as defined under paragraph (c)(3)(v)(F) of this section.

(A) *Example 1: QIE stock held by domestic C corporation—(1) Facts.* USR is a REIT, 51 percent of the stock of which is held by X, a domestic C corporation as defined in paragraph (c)(3)(v)(A) of this section, and 49 percent of the stock of which is held by nonresident alien individuals, which are foreign persons as defined in paragraph (k) of this section.

(2) *Analysis.* Under paragraph (c)(3)(v)(K) of this section, USR is a QIE. Because X is a domestic C corporation it is a non-look-through person as defined under paragraph (c)(3)(v)(D) of this section. Thus, under paragraph (c)(3)(ii)(A) of this section X is considered as holding directly or indirectly stock of USR for purposes of determining whether USR is a domestically controlled QIE. Under paragraph (c)(3)(ii)(C) of this section, the USR stock held directly or indirectly by

X is not considered held directly or indirectly by any other person, including the shareholders of X. Because X is not a foreign person as defined in paragraph (k) of this section and holds directly or indirectly 51 percent of the single class of outstanding stock of USR, foreign persons hold directly or indirectly less than 50 percent of the fair market value of the stock of USR, and USR therefore is a domestically controlled QIE under paragraph (c)(3)(i) of this section.

(3) *Alternative facts: QIE stock held by domestic partnership.* The facts are the same as in paragraph (c)(3)(vi)(A)(1) of this section (*Example 1*), except that, instead of being a domestic C corporation, X is a domestic partnership that is not a publicly traded partnership as defined in paragraph (c)(3)(v)(H) of this section. In addition, FC1, a foreign corporation, holds a 50 percent interest in X, and the remaining interests in X are held by U.S. citizens. X is not a non-look-through person as defined in paragraph (c)(3)(v)(D) of this section and, therefore, is a look-through person as defined in paragraph (c)(3)(v)(C) of this section. Accordingly, under paragraph (c)(3)(ii)(A) of this section, X is not considered as holding directly or indirectly stock of USR for purposes of determining whether USR is a domestically controlled QIE. Under paragraph (c)(3)(ii)(B) of this section, the stock of USR that, but for paragraph (c)(3)(ii)(A) of this section, is considered held by X, a look-through person, is instead considered held proportionately by X's partners that are non-look-through persons. Accordingly, because FC1 and the U.S. citizen partners in X are non-look-through persons as defined in paragraph (c)(3)(v)(D) of this section, 25.5 percent of the stock of USR is considered as held directly or indirectly by FC1 (50% × 51%), a foreign person as defined in paragraph (k) of this section, and 25.5 percent (in the aggregate) of the stock of USR is considered as held directly or indirectly by the U.S. citizen partners in X (50% × 51%), who are not foreign persons as defined in paragraph (k) of this section. Foreign persons therefore hold directly or indirectly 74.5 percent of the stock of USR (49 percent of the stock of USR held directly or indirectly by nonresident alien individuals, who are non-look-through persons as defined in paragraph (c)(3)(v)(D) of this section, plus the 25.5 percent held directly or indirectly by FC1), and USR is not a domestically controlled QIE under paragraph (c)(3)(i) of this section. The result described in this paragraph (c)(3)(vi)(A)(3) would be the same if,

instead of being a domestic partnership, X were a foreign partnership.

(4) *Alternative facts: QIE stock held by a qualified foreign pension fund.* The facts are the same as in paragraph (c)(3)(vi)(A)(3) of this section, except that, instead of being a foreign corporation, FC1 is a qualified foreign pension fund. The analysis is the same as in paragraph (c)(3)(vi)(A)(3) of this section regarding the treatment of X as a look-through person as defined in paragraph (c)(3)(v)(C) of this section. In addition, FC1, a foreign person under paragraph (c)(3)(iv)(A) of this section, is a non-look-through person as defined in paragraph (c)(3)(v)(D) of this section. Because FC1 and the U.S. citizen partners in X are non-look-through persons, 25.5 percent of the stock of USR is considered as held directly or indirectly by FC1 (50% × 51%), and 25.5 percent (in the aggregate) of the stock of USR is considered as held directly or indirectly by the U.S. citizen partners in X (50% × 51%). Thus, for the same reasons described in paragraph (c)(3)(vi)(A)(3) of this section, foreign persons hold directly or indirectly 74.5 percent of the stock of USR, and USR is not a domestically controlled QIE under paragraph (c)(3)(i) of this section.

(B) *Example 2: QIE stock held by public QIE that is a domestically controlled QIE—(1) Facts.* USR2 is a REIT, 51 percent of the stock of which is held by USR1, a REIT that is a public QIE as defined in paragraph (c)(3)(v)(F) of this section. The remaining 49 percent of the stock of USR2 is held by nonresident alien individuals, which are foreign persons as defined in paragraph (k) of this section. The stock of USR1 is U.S. publicly traded QIE stock as defined in paragraph (c)(3)(v)(M) of this section. FC1 and FC2, both foreign corporations, each hold 20 percent of the stock of USR1. The remaining 60 percent of the stock of USR1 is held by persons that each hold less than 5 percent of the stock of USR1 (USR1 less than five-percent public shareholders) and with respect to which USR1 has no actual knowledge that such person is not a United States person or is a look-through person that is a foreign-controlled entity (as determined under paragraph (c)(3)(v)(B) of this section by treating any entity as if it were a QIE for this purpose).

(2) *Analysis.* Under paragraph (c)(3)(v)(K) of this section, USR2 and USR1 are QIEs. Under paragraph (c)(3)(iii)(A) of this section, each of the USR1 less than five-percent public shareholders is treated as a United States person that is a non-look-through person. Consequently, under paragraph (c)(3)(i) of this section USR1 is a

domestically controlled QIE because FC1 and FC2, each a foreign person as defined in paragraph (k) of this section that is a non-look-through person under paragraph (c)(3)(v)(D) of this section, together hold directly or indirectly only 40 percent of the stock of USR1 and, thus, foreign persons hold directly or indirectly less than 50 percent of the fair market value of the stock of USR1. In addition, the USR2 stock held by USR1 is treated as held directly or indirectly by a United States person that is a non-look-through person under paragraph (c)(3)(iii)(B) of this section. Because USR1 holds directly or indirectly 51 percent of the stock of USR2, foreign persons hold directly or indirectly less than 50 percent of the fair market value of the stock of USR2, and USR2 is a domestically controlled QIE under paragraph (c)(3)(i) of this section.

(3) *Alternative facts: QIE stock held by public QIE that is not a domestically controlled QIE.* The facts are the same as in paragraph (c)(3)(vi)(B)(1) of this section (*Example 2*), except that 25 percent of the stock of USR1 is held by each of FC1 and FC2, with the remaining 50 percent of the stock of USR1 held by the USR1 less than five-percent public shareholders. Regardless of the treatment of the USR1 less than five-percent public shareholders, USR1 is not a domestically controlled QIE under paragraph (c)(3)(i) of this section because FC1 and FC2, each a foreign person as defined in paragraph (k) of this section that is a non-look-through person under paragraph (c)(3)(v)(D) of this section, together hold directly or indirectly 50 percent of the stock of USR1 and, thus, foreign persons do not hold directly or indirectly less than 50 percent of the fair market value of the

stock of USR1. In addition, the USR2 stock held by USR1 is treated as held by a foreign person that is a non-look-through person under paragraph (c)(3)(iii)(B) of this section. Because USR1 holds directly or indirectly 51 percent of the stock of USR2, foreign persons do not hold directly or indirectly less than 50 percent of the fair market value of the stock of USR2, and USR2 is not a domestically controlled QIE under paragraph (c)(3)(i) of this section.

(C) *Example 3: QIE stock held by non-public QIE—(1) Facts.* USR2 is a REIT, 49 percent of the stock of which is held by nonresident alien individuals, and 51 percent of the stock of which is held by USR1, a REIT. USR1 is not a public QIE as defined in paragraph (c)(3)(v)(F) of this section. U.S. citizens hold 50 percent of the stock of USR1. The remaining 50 percent of the stock of USR1 is held by PRS, a domestic partnership, 50 percent of the interests in which are held by DC, a domestic C corporation as defined in paragraph (c)(3)(v)(A) of this section, and 50 percent of the interests in which are held by nonresident alien individuals.

(2) *Analysis.* Under paragraph (c)(3)(v)(K) of this section, USR2 and USR1 are QIEs. USR1 is not treated as a non-look-through person under paragraph (c)(3)(iii)(B) of this section because USR1 is not a public QIE as defined in paragraph (c)(3)(v)(F) of this section. Each of USR1 and PRS is a look-through person as defined in paragraph (c)(3)(v)(C) of this section that is not treated as holding directly or indirectly stock in USR2 for purposes of determining whether USR2 is a domestically controlled QIE under paragraph (c)(3)(ii)(A) of this section. Because the U.S. citizens who hold

USR1 stock are non-look-through persons as defined in paragraph (c)(3)(v)(D) of this section, those U.S. citizens are treated under paragraph (c)(3)(ii)(B) of this section as holding directly or indirectly 25.5 percent of the stock of USR2 through their USR1 stock interest (50% × 51%) in accordance with paragraph (c)(3)(ii)(A) of this section. Similarly, because DC and the nonresident alien partners in PRS are non-look-through persons as defined in paragraph (c)(3)(v)(D) of this section, each is treated under paragraph (c)(3)(ii)(B) of this section as holding directly or indirectly the stock of USR2 through its interest in PRS and PRS's interest in USR1. Thus, DC is treated as holding directly or indirectly 12.75 percent of the stock of USR2 (50% × 50% × 51%) and the nonresident alien individual partners, which are foreign persons as defined in paragraph (k) of this section, are treated as directly or indirectly holding a 12.75 percent aggregate interest in the stock of USR2 (50% × 50% × 51%). Foreign persons therefore hold directly or indirectly 61.75 percent of the stock of USR2 (the 49 percent stock in USR2 directly held by nonresident alien individuals, who are foreign persons and non-look-through persons as defined in paragraph (c)(3)(v)(D) of this section, plus the 12.75 percent in stock indirectly held by the nonresident alien individual partners in PRS), and USR2 is not a domestically controlled QIE under paragraph (c)(3)(i) of this section.

* * * * *

Jarod J. Koopman,

Acting Chief Tax Compliance Officer.

[FR Doc. 2025–19625 Filed 10–20–25; 8:45 am]

BILLING CODE 4831–GV–P

Notices

Federal Register

Vol. 90, No. 201

Tuesday, October 21, 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.

DEPARTMENT OF EDUCATION

National Advisory Committee on Institutional Quality and Integrity; Notice of Meeting

AGENCY: National Advisory Committee on Institutional Quality and Integrity, Office of Postsecondary Education, U.S. Department of Education.

ACTION: Notice. Change to meeting date.

SUMMARY: The Department of Education announced in the **Federal Register** on September 17, 2025, that it would host a meeting of the National Advisory Committee on Institutional Quality and Integrity (NACIQI or Committee) on October 21, 2025. In this notice, the Department announces a change in the meeting date to December 16, 2025, because of the current lapse in appropriations. This notice sets forth the agenda, time, and instructions to access or participate in the NACIQI meeting on December 16, 2025, and provides information to members of the public regarding the meeting and how to make a request to submit written or oral comments. Committee members will meet in person. Agency representatives have the option to meet in person or virtually, and public attendees can participate virtually. Like the September 17, 2025, announcement, this meeting notice is required under the Federal Advisory Committee Act and the Higher Education Act (HEA).

DATES: The NACIQI meeting will be held on December 16, 2025, from 9:00 a.m. to 5:00 p.m. Eastern Time. Public attendees can register to participate virtually at the following link: <https://cvent.me/GOMz1Q>.

ADDRESSES: U.S. Department of Education, 400 Maryland Avenue SW, Barnard Auditorium, Washington, DC 20202. Only NACIQI members, accrediting agency representatives, and Department of Education staff will participate in the meeting at this address. Public attendees can register to

participate virtually at the following link: <https://cvent.me/GOMz1Q>.

FOR FURTHER INFORMATION CONTACT:

George Alan Smith, Executive Director/ Designated Federal Official (DFO), NACIQI, U.S. Department of Education, 400 Maryland Avenue SW, Washington, DC 20202, telephone: (202) 453-7757, or email: George.Alan.Smith@ed.gov.

SUPPLEMENTARY INFORMATION:

Statutory Authority and Function: NACIQI is established under Section 114 of the HEA (20 U.S.C. 1011c). NACIQI advises the Secretary of Education with respect to:

- The establishment and enforcement of the standards of accrediting agencies or associations under subpart 2, part H, Title IV of the HEA, as amended;
- The recognition of specific accrediting agencies or associations;
- The preparation and publication of the list of nationally recognized accrediting agencies and associations;
- The eligibility and certification process for institutions of higher education under Title IV of the HEA, together with recommendations for improvement in such process;
- The relationship between (1) accreditation of institutions of higher education and the certification and eligibility of such institutions, and (2) State licensing responsibilities with respect to such institutions; and
- Any other advisory function relating to accreditation and institutional eligibility that the Secretary of Education may prescribe by regulation.

Meeting Agenda

The purpose of the meeting is to elect a committee chairperson, to share the Administration's higher education policy priorities, and to conduct a review of compliance reports submitted by five accrediting agencies.

Election of a Committee Chairperson

The Designated Federal Official (DFO) will facilitate the election of a chairperson.

Administration Policy Update

The Under Secretary will share updates on the Administration's higher education policy priorities.

Compliance Reports

1. Accreditation Commission for Midwifery Education. Scope of

Recognition: The accreditation and pre-accreditation of basic certificate, basic graduate nurse-midwifery, direct entry midwifery, and pre-certification nurse-midwifery education programs, including those programs that offer distance education. Geographic area of accrediting activities: The United States. The compliance report includes findings of noncompliance with certain criteria in 34 Code of Federal Regulations (CFR) Part 602 identified in the May 31, 2023, letter from the Senior Department Official (SDO) following the February 28, 2023, NACIQI meeting. The SDO letter is available under "NACIQI Meeting Date 2/28/2023", at <https://surveys.ope.ed.gov/erecognition/#/public-documents>.

2. American Physical Therapy Association, Commission on Accreditation in Physical Therapy. Scope of Recognition: The accreditation and pre-accreditation ("Candidate for Accreditation") in the United States of physical therapist education programs leading to the first professional degree at the master's or doctoral level and physical therapist assistant education programs at the associate degree level and for its accreditation of such programs offered via distance education. Geographic area of accrediting activities: The United States. The compliance report includes findings of noncompliance with certain criteria in 34 CFR part 602 at <https://www.ecfr.gov/current/title-34/subtitle-B/chapter-VI/part-602> identified in the May 31, 2023, letter from the SDO following the February 28, 2023, NACIQI meeting. The SDO letter is available under "NACIQI Meeting Date 2/28/2023", at <https://surveys.ope.ed.gov/erecognition/#/public-documents>.

3. Middle States Commission on Higher Education. Scope of Recognition: The accreditation and pre-accreditation ("Candidacy status") of institutions of higher education including distance, correspondence education programs and direct assessment programs offered at those institutions. Recognition extends to the Executive Committee to act on behalf of the Commission as necessary on cases of initial, reaffirmed, and continued candidacy or initial, reaffirmed and continued accreditation. Geographic Area of Accrediting Activities: The United States. The compliance report includes findings of noncompliance with certain criteria in

34 CFR part 602 at <https://www.ecfr.gov/current/title-34/subtitle-B/chapter-VI/part-602> identified in the May 31, 2023, letter from the SDO following the February 28, 2023, NACIQI meeting. The SDO letter is available under “NACIQI Meeting Date 2/28/2023”, at <https://surveys.ope.ed.gov/erecognition/#/public-documents>.

4. New England Commission of Higher Education. Scope of Recognition: The accreditation and pre-accreditation (“Candidate status”) of institutions of higher education including the accreditation of programs offered via distance education and direct assessment within those institutions. Jointly with the Commission, this recognition extends to its Executive Committee and also to the Appeals Body for decisions related to the appeal of denial or withdrawal of candidacy; probation; and denial or withdrawal of accreditation. Geographic Area of Accrediting Activities: The United States. The compliance report includes findings of noncompliance with certain criteria in 34 CFR part 602 at <https://www.ecfr.gov/current/title-34/subtitle-B/chapter-VI/part-602> identified in the May 31, 2023, letter from the SDO following the February 28, 2023, NACIQI meeting. The SDO letter is available under “NACIQI Meeting Date 2/28/2023”, at <https://surveys.ope.ed.gov/erecognition/#/public-documents>.

5. Western Association of Schools and Colleges. Scope of Recognition: The accreditation and pre-accreditation (“Candidate for Accreditation”) of institutions of higher education that offer the baccalaureate degree or above, including distance education programs offered at those institutions. Geographic area of accrediting activities: The United States. The compliance report includes findings of noncompliance with certain criteria in 34 CFR part 602 at <https://www.ecfr.gov/current/title-34/subtitle-B/chapter-VI/part-602> identified in the May 31, 2023, letter from the SDO following the February 28, 2023, NACIQI meeting. The SDO letter is available under “NACIQI Meeting Date 2/28/2023”, at <https://surveys.ope.ed.gov/erecognition/#/public-documents>.

To ensure sufficient time for all agency reviews, including NACIQI questions and discussion, the Department requests that the agencies limit their opening statements to 10 minutes (total for one or more statements), and that the agencies avoid extended discussions about agency representatives and their backgrounds. Following the brief opening statement, the agency’s presentation should focus

on the regulatory criteria, and in particular, responses to areas where the staff has recommended a finding of noncompliance or substantial concerns have been raised that the agency would like to address. However, the agency should expect that questions from NACIQI members may focus on other areas.

Instructions for Accessing the Meeting Registration: You may register for the meeting on your computer using the link below. After you register, you will receive a confirmation email containing personalized participation links for the meeting no later than 8:30 a.m. Eastern Standard Time on December 16, 2025.

Registration Link: <https://cvent.me/GOMz1Q>.

Public Comment

Submission of requests to make an oral comment regarding a specific accrediting agency under review, or to make an oral comment or written statement regarding other issues within the scope of NACIQI’s authority:

Opportunity to submit a written statement regarding a specific accrediting agency under review was solicited by a previous **Federal Register** notice published on April 24, 2024 (89 FR 31171; Document Number 2024–08770). The period for submission of such statements is now closed. *Additional written statements regarding a specific accrediting agency or state approval agency under review will not be accepted at this time.* However, members of the public may submit written statements regarding other issues within the scope of NACIQI’s authority, as outlined under Section 114 of the HEA (20 U.S.C. 1011c).

Members of the public may make oral comments regarding a specific accrediting agency under review and/or other issues within the scope of NACIQI’s authority. Oral comments may not exceed three minutes. Oral comments about an agency’s recognition when a compliance report has been required by the SDO or the Secretary must relate to the criteria for recognition cited in the SDO’s letter that requested the report, or in the Secretary’s appeal decision, if any. Oral comments about an agency seeking expansion of scope must be directed to the agency’s ability to serve as a recognized accrediting agency with respect to the kinds of institutions or programs requested to be added. Oral comments about the renewal of an agency’s recognition must relate to its compliance with the criteria for the Recognition of Accrediting Agencies, which are available at <https://www.ecfr.gov/current/title-34/subtitle-B/chapter-VI/part-602?toc=1>.

www.ecfr.gov/current/title-34/subtitle-B/chapter-VI/part-602?toc=1.

Instructions on Requesting to Make Public Comment: To request to make oral comments of three minutes or less or to submit a written statement to NACIQI concerning its work outside of a specific accrediting agency under review during the meeting on December 16, 2025, please follow the instructions below.

Submit an email to the ThirdPartyComments@ed.gov mailbox. Please do not send material directly to NACIQI members. To be considered for the current cycle review, written statements and requests to make oral comment must be received by December 8, 2025, and include the subject line “Oral Comment Request: (agency name),” “Oral Comment Request: (subject)” or “Written Statement: (subject).” The email must include the name(s), title, organization/affiliation, mailing address, email address, and telephone number, of the person(s) submitting a written statement or requesting to speak. All individuals submitting an advance request in accordance with this notice will be afforded an opportunity to speak.

Access to Records of the Meeting: The Department will post the official report of the meeting on the NACIQI website <https://sites.ed.gov/naciqi/archive-of-meetings/> within 90 days after the meeting. In addition, pursuant to 5 U.S.C. 1009, the public may request to inspect records of the meeting at 400 Maryland Avenue SW, Washington, DC, by emailing aslrecordsmanager@ed.gov or by calling (202) 453–7415 to schedule an appointment. The SDO’s (as defined in 34 CFR 602.3 at <https://www.ecfr.gov/current/title-34/subtitle-B/chapter-VI/part-602/subpart-A/section-602.3>) decisions, pursuant to 34 CFR 602.36 <https://www.ecfr.gov/current/title-34/subtitle-B/chapter-VI/part-602/subpart-C/subject-group-ECFR21f0283b12d15ca/section-602.36>, associated with all NACIQI meetings can be found at the following website: <https://surveys.ope.ed.gov/erecognition/#/public-documents>.

Reasonable Accommodations: The dial-in information and weblink access to the meeting are accessible to individuals with disabilities. If you will need an auxiliary aid or service to participate in the meeting (e.g., interpreting service, assistive listening device, or materials in an alternate format), notify the contact person listed in this notice at least two weeks before the scheduled meeting date. Although we will attempt to meet a request received after that date, we may not be able to make available the requested

auxiliary aid or service because of insufficient time to arrange it.

Electronic Access to This Document: The official version of this document is the document published in the **Federal Register**. Free internet access to the official edition of the **Federal Register** and the Code of Federal Regulations is available via the Federal Digital System at: www.gpo.gov/fdsys. At this site you can view this document, as well as all other documents of the Department published in the **Federal Register**, in text or Adobe Portable Document Format (PDF). To use PDF, you must have Adobe Acrobat Reader, which is available free at the site. You also may access documents of the Department 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.

Authority: Section 114 of the HEA of 1964, as amended (20 U.S.C. 1011c).

Christopher McCaghren,

Acting Assistant Secretary for Postsecondary Education.

[FR Doc. 2025–19619 Filed 10–20–25; 8:45 am]

BILLING CODE 4000–01–P

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

Notice of Meeting of the Employee Thrift Advisory Council

DATES: November 6, 2025 at 10:00 a.m.

ADDRESSES: Telephonic. Dial-in (listen only) information: Number: 1–202–599–1426. Code: 588 229 53#; or via web: <https://www.frtib.gov/>.

FOR FURTHER INFORMATION CONTACT: James L. Kaplan, Director, Office of External Affairs, (202) 864–7150.

SUPPLEMENTARY INFORMATION:

ETAC Meeting Agenda

1. Approval of the minutes of the May 28, 2025, Joint Board/ETAC Meeting
2. Executive Director Remarks
3. Office of Investments Report
4. Office of Participant Experience Report
5. Office of Planning and Risk Report
6. Office of External Affairs Report
7. New Business

Written Statements: Pursuant to 41 CFR 102–3.105(j) and 102–3.140 and section 10(a)(3) of the Federal Advisory Committee Act, interested parties may submit written statements in response to the stated agenda of the meeting, or to

the Employee Thrift Advisory Council (ETAC), in general. Individuals may submit their comments to ETACComments@frtib.gov. Written comments or statements received less than 5 days before ETAC’s meeting may not be provided to the Committee until its next meeting.

Authority: 5 U.S.C. 552b(e)(1).

Dated: October 17, 2025.

Dharmesh Vashee,

General Counsel, Federal Retirement Thrift Investment Board.

[FR Doc. 2025–19610 Filed 10–20–25; 8:45 am]

BILLING CODE: P

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

[Docket No. 23–13]

Mert Kivanc, D.O.; Decision and Order

On November 28, 2022, the Drug Enforcement Administration (DEA or Government) issued an Order to Show Cause (OSC) to Mert Kivanc, D.O., of Dunn Loring, Virginia (Applicant). Request for Final Agency Action (RFAA), Exhibit (RFAAX) 2, at 1, 5. The OSC proposed the denial of Applicant’s application for DEA registration, Control No. W22078481C, alleging that he “materially falsified [his] application for registration and because [his] registration would be inconsistent with the public interest.”¹ *Id.* at 1 (citing 21 U.S.C. 823(g)(1),² 824(a)(1), (a)(4)).

I. Procedural History

The OSC notified Applicant of his right to request a hearing or to submit a written statement while waiving the right to a hearing, the procedures for electing each option, and the consequences for failing to elect either option. RFAAX 2, at 4–5 (citing 21 CFR 1301.43).

On December 19, 2022, Applicant timely requested a hearing and the case was assigned to an Administrative Law Judge (ALJ) who initiated prehearing proceedings.³ RFAAX 4. On February

¹ Because lack of state authority to handle controlled substances provides a sufficient basis to support denial of Applicant’s application for registration under 21 U.S.C. 824(a)(3), the Agency need not address the material falsification and public interest allegations raised in the OSC.

² Effective December 2, 2022, the Medical Marijuana and Cannabidiol Research Expansion Act, Public Law 117–215, 136 Stat. 2257 (2022) (Marijuana Research Amendments or MRA), amended the Controlled Substances Act (CSA) and other statutes. Relevant to this matter, the MRA redesignated 21 U.S.C. 823(f), cited in the OSC, as 21 U.S.C. 823(g)(1).

³ Based on the Government’s submissions in its RFAA dated February 26, 2025, the Agency finds

16, 2023, the ALJ terminated proceedings. RFAAX 8. The ALJ terminated proceedings based in part⁴ on Applicant’s noncompliance with the ALJ’s orders, finding that Applicant’s failure to comply with the ALJ’s “numerous orders” to file a compliant prehearing statement and an answer to the OSC constituted an implied waiver of his hearing request. *See id.* at 1–3 (noting that Applicant filed three noncompliant prehearing statements); *see id.* at 3 (“[G]iven that [Applicant] has failed to file an answer, as required by the [Order for Prehearing Statements] . . . [Applicant] is deemed to have waived his right to a hearing . . .”); *see also* RFAAX 4, at 4 (informing Applicant in the Order for Prehearing Statements that failure to timely file a compliant prehearing statement “may result in . . . a waiver of hearing and an implied withdrawal of a request for hearing”).

The ALJ’s termination of proceedings on this basis was a reasonable exercise of discretion. *See* 5 U.S.C. 556(c) (granting the ALJ power to “regulate the course of the hearing” and “dispose of procedural requests or similar matters”); *see also Robert L. Carter, D.D.S.*, 90 FR 9631, 9632 (2025) (finding the ALJ “acted within his authority” and “did not error in using his discretion to find that Respondent’s failure to file a compliant prehearing statement amounted to an implied waiver of his hearing request”); *David H. Betat, M.D.*, 87 FR 21175, 21176, 21180 (2022) (deferring to the ALJ’s finding that the registrant waived his right to a hearing by failing to respond to the ALJ’s orders); *Care Point Pharmacy, Inc.*, 86 FR 40621, 40621 n.3 (2021) (“Agency precedent is clear that the unwillingness or inability of a party to comply with the directives of the [ALJ] may support an implied waiver of that party’s right to a hearing.”) (internal quotations removed and collecting cases).

II. Newly Raised Allegation of Lack of State Authority

On February 26, 2025, the Government submitted a Request for

that service of the OSC on Applicant was adequate. Specifically, the Declaration from a DEA Group Supervisor (GS) indicates that on November 30, 2022, GS served a copy of the OSC to Applicant’s registered email address and that on December 3, 2022, a copy of the OSC was delivered to Applicant’s registered mailing address. RFAAX 3, at 5–6. Applicant’s timely request for a hearing further demonstrates that he had been properly served a copy of the OSC. RFAAX 4, at 1.

⁴ The ALJ also terminated proceedings based in part on application of the default regulations. RFAAX 8, at 3 (citing “DEA’s newly amended regulations”). However, as discussed in more detail below, *see infra* n.5, the default regulations were not in effect when the OSC was issued.

Final Agency Action (RFAA).⁵ In addition to the material falsification and public interest grounds alleged in the OSC, the RFAA newly alleged that Applicant's application should be denied because he "is currently without authority to handle controlled substances in the Commonwealth of Virginia." RFAA, at 8. The Government alleged that "a person may not hold a DEA registration if he is without appropriate authority under the laws of the state in which he does business." *Id.* at n.6 (citing 21 U.S.C. 824(a)(3)).

On July 11, 2025, the Agency served Applicant and the Government with a "Notice of Allegation and Briefing Order" (Order) and a copy of the February 2025 RFAA.⁶ The Order provided due process notice to Applicant of the newly raised allegation that his lack of state authority in Virginia served as an independent basis for denial of his application. The Order provided Applicant with 15 calendar days from the date of service to contest the new allegation.

On July 30, 2025, the Agency received untimely correspondence from Applicant in which Applicant appears to concede that he currently lacks the requisite authority in Virginia. *See* July 30, 2025 Correspondence, at 8 ("My Virginia State Medical and Rheumatology Board Licenses should . . . be restored.").

⁵ The Government's initial RFAA, submitted on August 9, 2024, requested that the Agency find Applicant in default under the default provisions of the amended version of 21 CFR 1301.43. RFAAX 9, at 1. The request to find Applicant in default was denied in an "Interim Order Denying Default" (Interim Order) issued by the Agency on January 16, 2025. RFAAX 9. The Interim Order explained that the default provisions in the amended version of 21 CFR 1301.43 became effective on December 14, 2022, and applied only to OSCs issued on or after the effective date. *Id.* at 1–2 (citing Default Provisions for Hearing Proceedings Relating to the Revocation, Suspension, or Denial of a Registration, 87 FR 68036, 68036, 68039 (Nov. 14, 2022)). Because the OSC in this matter was issued in November 2022, the Government's request for default sought "relief based on a regulation, specifically a provision enabling factual allegations to be deemed admitted, that does not apply to this proceeding," and the request therefore had to be denied. *Id.* at 2. The Interim Order provided that if the Government wished to pursue the matter further, it would be required to "file a new [RFAA] that contains substantial evidence supporting the denial of" Applicant's application. *Id.* at 3–4.

⁶ The Order and RFAA were served on Applicant by email and U.S. certified mail. The Agency did not receive an "undeliverable" message in response to the email; thus, service by email is deemed successful. *See Mohammed S. Aljanaby, M.D.*, 82 FR 34552, 34552 (2017) (finding that service by email satisfies due process where the email is not returned as undeliverable and other methods have been unsuccessful). In addition, tracking information from the U.S. certified mail receipt indicates that the Order and RFAA were successfully delivered to Applicant's mailing address on July 14, 2025.

On August 5, 2025, the Government timely filed a response, noting that Applicant's correspondence was untimely and "failed to provide documentary evidence of state authority to handle controlled substances." *See* August 5, 2025 Government Response, at 1. The Government attached a copy of a March 2023 Order of Mandatory Suspension issued by the Virginia Department of Health Professions and a printout from the Virginia Department of Health Professions website showing that as of August 5, 2025, Applicant's Virginia medical license was suspended. *Id.* at Exhibit 1 and 2.

On September 15 and 16, 2025, the Agency received three copies of the same document from Applicant in which Applicant, again, appears to concede that he currently lacks the requisite authority in Virginia. *See* September 2025 Correspondence, at 1, 3 (stating the Virginia Department of Health Professions "took" his license and requesting "[r]estoration of all [his] [l]icenses").⁷

III. Findings of Fact

The Agency finds substantial record evidence that on June 27, 2022, Applicant submitted an application, Control No. W22078481C, for DEA registration in Virginia. RFAAX 3, Attachment F. According to Virginia online records, of which the Agency takes official notice,⁸ Applicant's Virginia medical license has a current status of "Suspended." Virginia Department of Health Professions License Lookup, <https://dhp.virginiainteractive.org/Lookup/Index> (last visited date of signature of this Order). Accordingly, the Agency finds uncontroverted record evidence that Applicant is not currently licensed as a practitioner in Virginia, the state in which he seeks registration with DEA.⁹

⁷ Applicant's July 2025 correspondence also addresses a previous criminal investigation and indictment, and state board action against his state license. Applicant's September 2025 correspondence primarily addresses his medical training and employment history. These arguments are not relevant to the narrow issue of whether Applicant currently possesses the requisite state authority to handle controlled substances in Virginia.

⁸ Under the Administrative Procedure Act, an agency "may take official notice of facts at any stage in a proceeding—even in the final decision." United States Department of Justice, Attorney General's Manual on the Administrative Procedure Act 80 (1947) (Wm. W. Gaunt & Sons, Inc., Reprint 1979).

⁹ Pursuant to 5 U.S.C. 556(e), "[w]hen an agency decision rests on official notice of a material fact not appearing in the evidence in the record, a party is entitled, on timely request, to an opportunity to show the contrary." The material fact here is that Applicant, as of the date of this Order, is not licensed as a practitioner in Virginia. Accordingly,

IV. Discussion

Pursuant to 21 U.S.C. 824(a)(3), the Attorney General may suspend or revoke a registration issued under 21 U.S.C. 823 "upon a finding that the registrant . . . has had his State license or registration suspended . . . [or] revoked . . . by competent State authority and is no longer authorized by State law to engage in the . . . dispensing of controlled substances." With respect to a practitioner, DEA has also long held that the possession of authority to dispense controlled substances under the laws of the state in which a practitioner engages in professional practice is a fundamental condition for obtaining and maintaining a practitioner's registration. *Gonzales v. Oregon*, 546 U.S. 243, 270 (2006) ("The Attorney General can register a physician to dispense controlled substances 'if the applicant is authorized to dispense . . . controlled substances under the laws of the State in which he practices.' . . . The very definition of a 'practitioner' eligible to prescribe includes physicians 'licensed, registered, or otherwise permitted, by the United States or the jurisdiction in which he practices' to dispense controlled substances. § 802(21)."). The Agency has applied these principles consistently. *See, e.g., James L. Hooper, M.D.*, 76 FR 71371, 71372 (2011), *pet. for rev. denied*, 481 F. App'x 826 (4th Cir. 2012); *Frederick Marsh Blanton, M.D.*, 43 FR 27616, 27617 (1978).¹⁰

Applicant may dispute the Agency's finding by filing a properly supported motion for reconsideration of findings of fact within fifteen calendar days of the date of this Order. Any such motion and response shall be filed and served by email to the other party and to the Office of the Administrator, Drug Enforcement Administration, at dea.addo.attorneys@dea.gov.

¹⁰ This rule derives from the text of two provisions of the CSA. First, Congress defined the term "practitioner" to mean "a physician . . . or other person licensed, registered, or otherwise permitted, by . . . the jurisdiction in which he practices . . . , to distribute, dispense, . . . [or] administer . . . a controlled substance in the course of professional practice." 21 U.S.C. 802(21). Second, in setting the requirements for obtaining a practitioner's registration, Congress directed that "[t]he Attorney General shall register practitioners . . . if the applicant is authorized to dispense . . . controlled substances under the laws of the State in which he practices." 21 U.S.C. 823(g)(1). Because Congress has clearly mandated that a practitioner possess state authority in order to be deemed a practitioner under the CSA, DEA has held repeatedly that revocation of a practitioner's registration or denial of an application is the appropriate sanction whenever he is no longer authorized to dispense controlled substances under the laws of the state in which he practices. *See, e.g., Robert Wayne Locklear, M.D.*, 86 FR 33738, 33744–45 (2021); *James L. Hooper, M.D.*, 76 FR at 71371–72; *Sheran Arden Yeates, M.D.*, 71 FR 39130, 39131 (2006); *Dominick A. Ricci, M.D.*, 58 FR 51104, 51105 (1993); *Bobby Watts, M.D.*, 53 FR 11919, 11920 (1988); *Frederick Marsh Blanton, M.D.*, 43 FR at 27617.

According to Virginia statute, “dispense” means “to deliver a drug to an ultimate user or research subject by or pursuant to the lawful order of a practitioner, including the prescribing and administering, packaging, labeling, or compounding necessary to prepare the substance for that delivery.” Va. Code § 54.1–3401 (2025). Additionally, Virginia law defines “practitioner” as “a physician . . . or other person licensed, registered, or otherwise permitted to distribute, dispense, prescribe and administer, or conduct research with respect to a controlled substance in the course of professional practice or research in [Virginia].” *Id.* Virginia law further defines a “physician” as “a person licensed to practice medicine in [Virginia] or in the jurisdiction where the health care is to be rendered.” Va. Code § 54.1–2982 (2025).

Here, the undisputed evidence in the record is that Applicant’s Virginia medical license is currently in a “Suspended” status. As of the date of signature of this Order, Applicant has not submitted to the Agency evidence that he possesses the requisite authority to handle controlled substances in the Commonwealth of Virginia. As such, the Agency finds that Applicant is not authorized to handle controlled substances in Virginia and thus is not eligible to obtain a DEA registration in Virginia. Accordingly, the Agency will order that Applicant’s application for DEA registration in Virginia be denied.

Order

Pursuant to 28 CFR 0.100(b) and the authority vested in me by 21 U.S.C. 823 and 824, I hereby deny the pending application for a DEA Certificate of Registration, Control No. W22078481C, submitted by Mert Kivanc, D.O., as well as any other pending application of Mert Kivanc, D.O., for additional registration in Virginia. This Order is effective November 20, 2025.

Signing Authority

This document of the Drug Enforcement Administration was signed on October 9, 2025, by Administrator Terrance Cole. That document with the original signature and date is maintained by DEA. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DEA Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of DEA. This administrative process in no way alters the legal effect of this

document upon publication in the **Federal Register**.

Heather Achbach,

Federal Register Liaison Officer, Drug Enforcement Administration.

[FR Doc. 2025–19603 Filed 10–20–25; 8:45 am]

BILLING CODE 4410–09–P

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

MCRGC, LLC; Decision and Order

On May 7, 2024, the Drug Enforcement Administration (DEA or Government) issued an Order to Show Cause (OSC) to MCRGC, LLC, of New Orleans, LA (Applicant). Request for Final Agency Action (RFAA), Exhibit (RFAAX) 2, at 1, 6. The OSC proposed the denial of Applicant’s application for DEA registration, Control No. W16097592E, alleging that Applicant’s registration would be inconsistent with the public interest. *Id.* at 1 (citing 21 U.S.C. 823(a)).

More specifically, the OSC alleged that Applicant did not have: (1) a physical location for its establishment to grow marijuana that DEA can inspect; (2) state licensure in any state for growing marijuana; (3) a DEA Schedule I researcher certificate of registration; and (4) a bona fide supply agreement with a registered DEA Schedule I researcher with a DEA approved marijuana research protocol. *Id.* at 1 (citing 21 U.S.C. 822(f), 21 U.S.C. 823(a), and 21 CFR 1318.05(b)). On June 28, 2024, the Government submitted an RFAA requesting that the Agency issue a default final order denying Applicant’s application for registration. RFAA, at 1.

After carefully reviewing the entire record and conducting the analysis as set forth in more detail below, the Agency grants the Government’s request for final agency action and denies Applicant’s application for registration.

I. Default Determination

Under 21 CFR 1301.43, an applicant entitled to a hearing who fails to file a timely hearing request “within 30 days after the date of receipt of the [OSC] . . . shall be deemed to have waived their right to a hearing and to be in default” unless “good cause” is established for the failure. 21 CFR 1301.43(a), (c)(1). In the absence of a demonstration of good cause, an applicant who fails to timely file an answer also is “deemed to have waived their right to a hearing and to be in default.” 21 CFR 1301.43(c)(2). Unless excused, a default is deemed to

constitute “an admission of the factual allegations of the [OSC].” 21 CFR 1301.43(e).

Here, the OSC notified Applicant of its right to file a written request for hearing, and that if it failed to file such a request, it would be deemed to have waived its right to a hearing and be in default. RFAAX 2, at 4–5 (citing 21 CFR 1301.43). As a preliminary matter, the Agency finds that service of the OSC was adequate. On May 7, 2024, a DEA Diversion Investigator (DI) mailed a copy of the OSC to Applicant’s mailing address and emailed a copy to the email address listed on the application. RFAA, at 2; RFAAX 3, 1–2, App. A–B. On the same day, the DI received a reply email confirming receipt of the OSC. RFAA, at 2; RFAAX 3, 2, App. C. After more than 30 days passed, the Government asserted in the RFAA that Applicant did not timely request a hearing. RFAA, at 2. Thus, the Agency finds that Applicant is in default and therefore has admitted to the factual allegations in the OSC. 21 CFR 1301.43(e).

II. Applicable Law

The Controlled Substances Act (CSA) states that the Agency shall register an applicant to manufacture controlled substances in schedule I or II if such registration is determined to be “consistent with the public interest and with United States obligations under international treaties, conventions, or protocols in effect on May 1, 1971.” 21 U.S.C. 823(a). The CSA provides six factors the Agency must consider in determining the public interest. *Id.*

One of the required considerations is “the existence in the establishment of effective control against diversion,” 21 U.S.C. 823(a)(5), and DEA is authorized to inspect an applicant’s establishment. 21 U.S.C. 822(f)(1);¹ 21 CFR 1301.31. This inspection is “fundamental to the CSA’s mandate to protect the public interest.” *Novelty Distributors, Inc.*, 73 FR 52689, 52701 (2008), *pet. for rev. denied sub. nom. Novelty, Inc. v. D.E.A.*, 571 F.3d 1176 (D.C. Cir. 2009).

The CSA’s implementing regulations further provide that the Agency shall place “particular emphasis” on certain enumerated criteria in determining applicant selection consistent with the public interest with respect to marijuana growers and manufacturers. 21 CFR 1318.05(b)(2)–(3). In situations where “an applicant seeks registration to grow cannabis for its own research or product development,” one of the criteria of

¹ The HALT (All Lethal Trafficking of Fentanyl Act, sec. 3(d)(1), Public Law 119–26, 139 Stat. 410, 414 (2025), modified this subsection by inserting a subsection number.

“particular emphasis” is that “the applicant must possess registration as a schedule I researcher with respect to marihuana under [21 CFR 1301.32].” 21 CFR 1318.05(b)(3)(ii). Additionally, the Agency must consider whether the applicant has “a bona fide supply agreement with a registered researcher or manufacturer,” to assist the Agency in assessing “the extent to which any applicant is able to supply cannabis or its derivatives in quantities and varieties that will satisfy the anticipated demand of researchers and other registrants in the United States.” 21 CFR 1318.05(b)(3)(i).

III. Findings of Fact

In light of Applicant’s default, the factual allegations in the OSC are deemed admitted.² 21 CFR 1301.43(e). Accordingly, Applicant admits that it does not have a physical location for its establishment to grow marijuana that DEA can inspect, it does not hold a DEA Schedule 1 researcher certificate of registration (nor does Principal and Founding Member Dr. D.J.), and it does not have a bona fide supply agreement with a registered DEA schedule 1 researcher with a DEA-approved marijuana research protocol. RFAAX 2, at 1, 4. Applicant further admits that it has “failed to submit a full, accurate, or complete bulk manufacturer application” for the Agency to consider. *Id.* at 4.

IV. Discussion

Here, Applicant “does not have a physical location for its establishment to grow marijuana” that DEA can inspect under 21 U.S.C. 822(f)(1) and 21 CFR 1301.31. RFAAX 2, at 4. Moreover, Applicant does not have a bona fide supply agreement with a registered researcher or manufacturer for the Agency to consider under 21 CFR 1318.05(b)(3)(i). RFAAX 2, at 4. Although there is no indication in the record that Applicant “seeks registration to grow cannabis for its own research or product development,” nevertheless, Applicant does not possess the schedule I researcher registration that would be required if it was seeking to do so. 21 CFR 1318.05(b)(3)(ii); RFAAX 2, at 4. Therefore, these criteria under Agency consideration weigh against Applicant. 21 U.S.C. 823(a)(1), (5); 21 CFR 1318.05(a), (b)(3).

² According to the CSA, “[f]indings of fact by the [DEA Administrator], if supported by substantial evidence, shall be conclusive.” 21 U.S.C. 877. Here, where Applicant is found to be in default, all of the factual allegations in the OSC are deemed to be admitted. These uncontested and deemed admitted facts constitute evidence that exceeds the “substantial evidence” standard of 21 U.S.C. 877; it is un rebutted evidence.

Considering the public interest factors of 21 U.S.C. 823(a), the Agency determines that the issuance of a manufacturer registration to Applicant would not be consistent with the public interest.³ Accordingly, the Agency will order the denial of Applicant’s application for registration.

Order

Pursuant to 28 CFR 0.100(b) and the authority vested in me by 21 U.S.C. 823(a), I hereby deny the application for a DEA Certificate of Registration, Control No. W16097592E, submitted by MCRGC, LLC, as well as any other pending application of MCRGC, LLC, to amend or modify this application. This Order is effective November 20, 2025.

Signing Authority

This document of the Drug Enforcement Administration was signed on October 9, 2025, by Administrator Terrance Cole. That document with the original signature and date is maintained by DEA. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DEA Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of DEA. This administrative process in no way alters the legal effect of this document upon publication in the **Federal Register**.

Heather Achbach,

Federal Register Liaison Officer, Drug Enforcement Administration.

[FR Doc. 2025–19613 Filed 10–20–25; 8:45 am]

BILLING CODE 4410–09–P

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

[Docket No. 25–37]

Enyibuaku Uzoaga, M.D.; Decision and Order

On March 26, 2025, the Drug Enforcement Administration (DEA or Government) issued an Order to Show Cause (OSC) to Enyibuaku Uzoaga, M.D., of Houston, Texas (Applicant). OSC, at 1, 3. The OSC proposed the denial of Applicant’s application for a DEA Certificate of Registration, Control

³ The Agency declines to consider Applicant’s lack of state licensure in any state for growing marijuana. RFAA, at 1, 3; RFAAX 2, at 4. The Government failed to propose a legal basis for this fact to weigh against Applicant (e.g., the existence of a relevant state requirement for licensure and how that state requirement would apply to this Applicant). 21 U.S.C. 823(c)(1)(B)(vii).

No. W24000817C, alleging that Applicant has been excluded from participation in Medicare, Medicaid, and all federal health care programs pursuant to 42 U.S.C. 1320a–7(a). *Id.* at 1 (citing 21 U.S.C. 824(a)(5)).

A hearing was held before DEA Administrative Law Judge (ALJ) Paul E. Soeffing, who, on June 25, 2025, issued his Recommended Rulings, Findings of Fact, Conclusions of Law, and Decision (RD). The RD recommended that Applicant’s application for registration be denied. RD, at 19. Applicant filed exceptions to the RD which are addressed herein. Having reviewed the entire record, the Agency adopts and hereby incorporates by reference the entirety of the ALJ’s rulings, credibility findings,¹ findings of fact, conclusions of law, sanctions analysis, and recommended sanctions in the RD, and clarifies and expands upon portions thereof herein.

I. Applicable Law

Pursuant to 21 U.S.C. 824(a)(5), the Agency² is authorized to suspend or revoke a registration upon finding that the registrant “has been excluded (or directed to be excluded) from participation in a program pursuant to section 1320a–7(a) of Title 42.” The Agency has consistently held that it may

¹ The Agency adopts the ALJ’s summary of the witnesses’ testimonies as well as the ALJ’s assessment of the witnesses’ credibility. RD, at 3–7. The Agency agrees with the ALJ that the testimony from the DEA Diversion Investigator, which was primarily focused on the introduction of the Government’s documentary evidence and the Diversion Investigator’s contact with the case, was generally consistent and genuine without indication of any animosity towards Applicant, and therefore was credible and warranted significant weight. *Id.* at 4. The Agency agrees with the ALJ that the testimony from the DEA Group Supervisor, which was primarily focused on rebutting Applicant’s testimony regarding the Memorandum of Agreement, also was generally consistent and genuine without indication of any animosity towards Applicant, and therefore was credible and warranted significant weight. *Id.* at 6. Finally, the Agency agrees with the ALJ’s credibility determination regarding the testimony from Applicant, which was primarily focused on her background, her desire to regain a DEA registration, her health care fraud conviction, her exclusion from all federal health care programs, and her interactions with DEA regarding the potential Memorandum of Agreement. *Id.* at 7. As described by the ALJ, in her testimony, Applicant attempted to minimize her responsibility regarding her role in the health care fraud and attempted to shift the blame to others. *Id.* Even so, as the ALJ described, Applicant’s testimony regarding the underlying facts of the case was otherwise generally consistent and credible. *Id.* The Agency therefore agrees with the ALJ that Applicant’s testimony warrants general weight except where it differs from the corroborated testimony of other witnesses, in which case it warrants less weight. *Id.*

² The Controlled Substances Act (CSA) delegates power to the Attorney General, who has delegated it to the Administrator of the DEA (the Agency) by 28 CFR 0.100.

also deny an application upon finding that an applicant has been excluded from a federal health care program.³ *Mark Agresti, M.D.*, 90 FR 30098, 30099 (2025); *Samirkumar Shah, M.D.*, 89 FR 71931, 71933 (2024); *Arvinder Singh, M.D.*, 81 FR 8247, 8248 (2016).

II. Findings of Fact

The following facts are undisputed.⁴ On November 3, 2015, Applicant was convicted of one count of conspiracy to commit health care fraud in violation of 18 U.S.C. 1347, 1349 and six counts of health care fraud in violation of 18 U.S.C. 2, 1347.⁵ RD, at 2; Government Exhibit (GX) 4, at 6–22; GX 5, 1–2. On March 24, 2016, Applicant was sentenced to 42 months of incarceration on each count, to be served concurrently, and ordered to pay restitution in the amount of \$389,294.99.⁶ RD, at 2; GX 6, at 3, 6. Based on Applicant's conviction, the U.S. Department of Health and Human Services, Office of Inspector General (HHS/OIG), excluded Applicant, effective August 18, 2016, from participation in Medicare, Medicaid, and all federal health care programs pursuant to 42 U.S.C. 1320a–7(a) for a minimum period of fifteen years.⁷ RD, at 2; GX 8, at 1–2. On June 21, 2017, the fifteen-year exclusion was affirmed. RD, at 2; GX 10, at 1, 9.⁸ Accordingly, the Agency finds more than substantial record evidence⁹ that Applicant has been, and continues to be, excluded from participation in Medicare, Medicaid, and all federal health care programs pursuant to 42 U.S.C. 1320a–7(a).

III. Discussion

The Agency agrees with the ALJ and finds substantial record evidence that

³ A statutory basis to deny an application pursuant to section 823 is also a basis to revoke or suspend a registration pursuant to section 824, and vice versa, because doing “otherwise would mean that all applications would have to be granted only to be revoked the next day” *Robert Wayne Locklear, M.D.*, 86 FR 33738, 33744–45 (2021) (collecting cases).

⁴ According to the CSA, “[f]indings of fact by the [DEA Administrator], if supported by substantial evidence, shall be conclusive.” 21 U.S.C. 877. Here, where Applicant has stipulated to all of the material facts, the record evidence exceeds the “substantial evidence” standard of 21 U.S.C. 877; it is un rebutted evidence.

⁵ Applicant stipulated to this fact. See ALJ Exhibit 16, at 3 (Stipulation 4).

⁶ Applicant stipulated to this fact. See ALJ Exhibit 16, at 3 (Stipulation 5).

⁷ Applicant stipulated to this fact. See ALJ Exhibit 16, at 3 (Stipulation 6).

⁸ Applicant stipulated to this fact. See ALJ Exhibit 16, at 3 (Stipulation 7).

⁹ Where Applicant has stipulated to a fact, the Agency exceeds the “substantial record evidence” standard. See *supra* n.4.

Applicant has been, and remains, mandatorily excluded from federal health care programs pursuant to 42 U.S.C. 1320a–7(a),¹⁰ and Applicant has admitted to the same. RD, at 11–12; GX 8, at 1–2; GX 10, at 1, 9; ALJ Exhibit 16, at 3 (Stipulations 6–7). Accordingly, the Agency finds that substantial record evidence establishes the Government's *prima facie* case for denying Applicant's application under 21 U.S.C. 824(a)(5), that Applicant did not rebut that *prima facie* case, and that there is substantial record evidence supporting the denial of Applicant's application.¹¹

IV. Sanction

Where, as here, the Government has met its *prima facie* burden of showing that Applicant's application for registration should be denied, the burden shifts to Applicant to show why she can be entrusted with a registration. *Morall v. Drug Enf't Admin.*, 412 F.3d 165, 174 (D.C. Cir. 2005); *Jones Total Health Care Pharmacy, LLC v. Drug Enf't Admin.*, 881 F.3d 823, 830 (11th Cir. 2018); *Garrett Howard Smith, M.D.*, 83 FR 18882, 18904 (2018). The issue of trust is necessarily a fact-dependent determination based on the circumstances presented by the individual registrant. *Jeffrey Stein, M.D.*, 84 FR 46968, 46972 (2019); see also *Jones Total Health Care Pharmacy*, 881 F.3d at 833. Moreover, as past

¹⁰ The Agency has consistently held that it may deny an application under 21 U.S.C. 824(a)(5) even if the conviction underlying the exclusion does not relate to controlled substances. See, e.g., *Phong H. Tran, M.D.*, 90 FR 14383, 14384 n.10 (2025) (collecting cases).

¹¹ Pursuant to 21 U.S.C. 823(g)(1), “[t]he Attorney General shall register practitioners . . . to dispense . . . controlled substances . . . if the applicant is authorized to dispense . . . controlled substances under the laws of the State in which he practices.” 21 U.S.C. 823(g)(1). This regulation further provides that an application for a practitioner's registration may be denied upon a determination that “the issuance of such registration . . . would be inconsistent with the public interest” and requires consideration of five factors in making such a determination. *Id.* In both her post-hearing brief and her Exceptions, Applicant argues that analysis of the five public interest factors of 21 U.S.C. 823(g)(1) does not demonstrate that granting her application for registration would be inconsistent with the public interest (*note*: Applicant appears to cite in error to 21 U.S.C. 823(f), which pertains to distributors of controlled substances in Schedules III–V). Applicant's Proposed Findings of Fact and Conclusions of Law, at 4–9; Applicant's Exceptions, at 3–6. However, in the current matter, it is undisputed that Applicant holds a valid state medical license and is authorized to dispense controlled substances in Texas. Moreover, because the Government has not alleged that Applicant's registration is inconsistent with the public interest under 21 U.S.C. 823(g)(1), and although the Agency has considered 21 U.S.C. 823(g)(1), the Agency will not analyze Applicant's application under the five public interest factors, in accordance with prior agency decisions. See *Shah*, 89 FR at 71933; *Daniel R. Nevarre, M.D.*, 87 FR 3340, 3341–42 (2022).

performance is the best predictor of future performance, the Agency has required that a registrant who has committed acts inconsistent with the public interest must accept responsibility for those acts and demonstrate that he or she will not engage in future misconduct. See *Jones Total Health Care Pharmacy*, 881 F.3d at 833; *ALRA Labs, Inc. v. Drug Enf't Admin.*, 54 F.3d 450, 452 (7th Cir. 1995). The Agency requires a registrant's unequivocal acceptance of responsibility. *Janet S. Pettyjohn, D.O.*, 89 FR 82639, 82641 (2024); *Mohammed Asgar, M.D.*, 83 FR 29569, 29573 (2018); see also *Jones Total Health Care Pharmacy*, 881 F.3d at 830–31. In addition, a registrant's candor during the investigation and hearing is an important factor in determining acceptance of responsibility and the appropriate sanction. See *Jones Total Health Care Pharmacy*, 881 F.3d at 830–31; *Hoxie v. Drug Enf't Admin.*, 419 F.3d 477, 483–84 (6th Cir. 2005). Further, the Agency has found that the egregiousness and extent of the misconduct are significant factors in determining the appropriate sanction. See *Jones Total Health Care Pharmacy*, 881 F.3d at 833 n.4, 834. The Agency also considers the need to deter similar acts by a registrant and by the community of registrants. *Jeffrey Stein, M.D.*, 84 FR at 46972–73.

Here, although Applicant testified that she “[l]earned [her] lesson,” is “incredibly sorry,” and takes “full responsibility,” the Agency agrees with the ALJ that Applicant failed to unequivocally accept responsibility for her misconduct. RD, at 6, 17; Tr. 67, 68, 106–07, 118–19. Instead, Applicant repeatedly emphasized that she had “trusted the wrong people” and placed the blame on the therapy company and billing company that she had contracted with. RD, at 6, 15–16; Tr. 66, 97, 121–22.

Applicant asserted that she had no knowledge of the fraud and “unbeknownst to [her], the therapy company and the biller had connived to submit false claims,” including by billing for services under her provider number and billing for hundreds of tests when only one was performed. RD, at 6, 15–16; Tr. 66–67, 97, 99, 105, 107. According to Applicant, she was “too busy doing a lot of hospital work at that time and also seeing patients in the clinic” and she “had no reason to suspect anybody. [She] believed that everyone was doing what they were supposed to do.” RD, at 15; Tr. 122–23; see *Bernadette U. Iguh, M.D.*, 87 FR 56709, 56711 (2022) (“Respondent's emphasis on her ignorance as the cause

of her misconduct . . . serve[s] to downplay the extent to which her own actions and decisions were harmful.”).

Applicant also repeatedly asserted that “there was no direct evidence” connecting her to the fraud. RD, at 6, 15; Tr. 67, 97, 103. Applicant testified that her office manager was the one who wrote all the checks to the biller, that the biller kept all of the submitted claims, and that the biller testified at trial that Applicant had had no knowledge of the fraud that was going on. RD, at 6; Tr. 102. In line with her placing the blame on others and emphasizing her ignorance, Applicant’s categorical denial here of any direct connection to the fraud demonstrates a marked unwillingness to unequivocally accept responsibility.

Finally, as noted by the ALJ, Applicant failed to acknowledge the harm done to her patients by her betraying their trust, as well as the unnecessary medical tests that her patients underwent because of the fraud. RD, at 14–15, 16;¹² *see Iguh, M.D.*, 87 FR at 56711 (“Respondent’s emphasis on her ignorance . . . in tandem with Respondent’s lack of emphasis on the damages she caused, both serve to downplay the extent to which her own actions and decisions were harmful.”).

Accordingly, the Agency finds that Applicant did not unequivocally accept

¹² In her Exceptions, Applicant argued that she introduced the potential Memorandum of Agreement (MOA) “to show that she was qualified for [a] DEA [registration]” because DEA offered her a registration “in spite [sic.] of her 2016 conviction and exclusion, which] NEGATES the relief sought by the DEA.” Exceptions, at 2–3. The Agency disagrees. Had the MOA been signed, Applicant would not be able to handle Schedule II controlled substances and would be under additional restrictions. RD, at 4; Tr. 46. Therefore, the MOA, to the extent it is relevant, suggests that DEA, absent agreed upon restrictions (and there was no agreement), did not trust Applicant with a registration, consistent with the Agency’s findings herein. Applicant further objects to the ALJ’s finding that “because no agreement was reached, [the] MOA is immaterial in this case.” Exceptions at 3. To the extent that the circumstances and communications surrounding the MOA were relevant, they would further suggest to the Agency that Applicant had not unequivocally accepted responsibility for her actions. According to the Diversion I, Applicant wanted “full and clear DEA registration without any restrictions.” RD, at 4; Tr. 46. The DEA Group Supervisor testified that Applicant did not think she needed an MOA and instead wanted a DEA registration with no restrictions and for all schedules. RD, at 5; Tr. 128, 129, 133–34, 136. Applicant testified she was not willing to agree to two years of supervision. RD, at 7; Tr. 74–75, 79–80, 88; Applicant Exhibit (RX) 4, at 7; but that she thought “anything from 90 days to six months [was] fair” for her to be under probation. RD, at 7; Tr. 88–89. Ultimately, the MOA and the communications surrounding it are immaterial as, even without it, the Agency would find that Applicant had not demonstrated her unequivocal acceptance of responsibility.

responsibility for her actions.¹³ When a registrant fails to make the threshold showing of acceptance of responsibility, the Agency need not address the registrant’s remedial measures. *Ajay S. Ahuja, M.D.*, 84 FR 5479, 5498 n.33 (2019) (citing *Jones Total Health Care Pharmacy, L.L.C., & SND Health Care, L.L.C.*, 81 FR 79188, 79202–03 (2016)); *Daniel A. Glick, D.D.S.*, 80 FR 74800, 74801, 74810 (2015).¹⁴

The Agency further agrees with the ALJ that Applicant’s actions in the underlying criminal conduct are egregious such that denial of her application for registration is appropriate. RD, at 19. The Agency has found that “defrauding health care programs is egregious,” in and of itself. *Gilbert Y. Kim, D.D.S.*, 87 FR 21139, 21145 (2022); *Samirkumar Shah, M.D.*, 89 FR at 71934. Furthermore, Applicant’s mandatory exclusion period was set and affirmed at fifteen years. GX 8, at 1; GX 10, at 9. This is ten years in excess of the mandatory minimum prescribed by statute. *See* 42 U.S.C. 1320a–7(c)(3)(B); *see also Jones*, 86 FR at 20732 (an exclusion period in excess of the statutory minimum can be considered on the issue of egregiousness). As noted by the ALJ, the exclusion letter issued to Applicant from HHS/OIG and the Departmental Appeals Board Decision explain that Applicant’s fraud included three aggravating factors: (1) Applicant’s misconduct caused or was intended to cause financial loss of more than \$5,000 to a government agency or program; (2) Applicant committed the misconduct over a period of one year or more; and (3) Applicant’s sentence included incarceration.¹⁵ RD, at 18; GX 8, at 1–

¹³ In her Exceptions, Applicant cited to evidence of her testimony accepting “her full responsibility.” Exceptions, at 1, but as discussed herein, the Agency finds that Applicant’s acceptance of responsibility was not unequivocal.

¹⁴ Applicant did provide examples of certain remedial measures and the Agency has considered them. Applicant testified that since she has returned to practice, she renders all billing, therapy, and services in-house under her direct supervision. RD, at 6; Tr. 68. Applicant also testified that she has a compliance program in place and is following all rules and regulations. RD, at 6; Tr. 68; *see also* RD, at 7; Tr. 80–83; Exceptions at 1–2. Applicant also noted that in 2022, after completing a remedial course, she regained her full, unrestricted medical license. RD, at 6; Tr. 69–70; GX 3. However, without an unequivocal acceptance of responsibility, Applicant’s remedial measures are insufficient for the Agency to determine that Applicant can be trusted with a registration. *See Lewisville Medical Pharmacy*, 87 FR 59456, 59460 n.16 (2022); *Brenton D. Wynn, M.D.*, 87 FR 24228, 24261 (2022); *Michael T. Harris, M.D.*, 87 FR 30276, 30278–79 (2022).

¹⁵ The ALJ noted: (1) the monetary loss attributed to Applicant’s fraud was more than 75 times the \$5,000 threshold; (2) Applicant’s fraud occurred over a period of more than five years; and (3) Applicant was incarcerated for 42 months. RD, at

2; GX 10, at 6. When Applicant appealed her exclusion, the Departmental Appeals Board Administrative Law Judge found that HHS/OIG had a basis for its exclusion of Applicant and that the fifteen-year exclusion period was “reasonable.” RD, at 18; GX 10, at 9.

As described *supra*, the Agency also considers both specific and general deterrence when determining an appropriate sanction. *Daniel A. Glick, D.D.S.*, 80 FR at 74810. Regarding both specific and general deterrence, the Agency agrees with the ALJ that in the current matter, imposing sanction will “deter [Applicant] and the general registrant community from unethical behavior and deceit, particularly involving the acceptance of money for unlawful and unethical acts” because “[i]t is not difficult to imagine, as the Agency has repeatedly encountered, this situation repeating itself in the context of receiving money for controlled substance prescriptions.” RD, at 18 (quoting *Nicholas P. Roussis, M.D.*, 86 FR 59190, 59195 (2021)).

In sum, the Agency agrees with the ALJ that Applicant has not offered any credible evidence on the record to rebut the Government’s *prima facie* case for denial of her application for registration and Applicant has not met her burden to demonstrate that she can be entrusted with the responsibility of registration. RD, at 19. Accordingly, the Agency will order that Applicant’s application for registration be denied.

Order

Pursuant to 28 CFR 0.100(b) and the authority vested in me by 21 U.S.C. 823(g)(1), I hereby deny the pending application for a DEA Certificate of Registration, Control No. W24000817C, submitted by Enyibuaku Uzoaga, M.D., as well as any other pending application of Enyibuaku Uzoaga, M.D., for additional registration in Texas. This Order is effective November 20, 2025.

Signing Authority

This document of the Drug Enforcement Administration was signed on October 9, 2025, by Administrator Terrance Cole. That document with the original signature and date is maintained by DEA. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DEA Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of

18–19; GX 6, at 1–3; GX 7, at 2; GX 8, at 2, GX 10, at 6–7.

DEA. This administrative process in no way alters the legal effect of this document upon publication in the **Federal Register**.

Heather Achbach,

Federal Register Liaison Officer, Drug Enforcement Administration.

[FR Doc. 2025–19611 Filed 10–20–25; 8:45 am]

BILLING CODE 4410–09–P

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

[Docket No. 25–24]

Hil Rizvi, M.D.; Decision and Order

On December 2, 2024, the Drug Enforcement Administration (DEA or Government) issued an Order to Show Cause (OSC) to Hil Rizvi, M.D., of Salt Lake City, Utah (Applicant). Request for Final Agency Action (RFAA), Exhibit (RFAAX) 2, at 1, 9. The OSC proposed the denial of Applicant's application for DEA registration, Control No. W24074770C, alleging that he materially falsified his application. *Id.* at 1 (citing 21 U.S.C. 824(a)(1)). Specifically, the OSC alleged that Applicant's application was materially false because he failed to disclose relevant information in response to Liability Questions 2 and 3.¹ *Id.* at 1, 4–6; RFAA, at 4.

On February 25, 2025, the Government submitted a RFAA requesting that the Agency issue a default final order denying Applicant's application for registration. RFAA, at 1, 4–5. After carefully reviewing the entire record and conducting the analysis as set forth in detail below, the Agency grants the Government's request for final agency action and denies Applicant's application for registration. As a preliminary matter, this Decision addresses whether or not Applicant is in default and finds that he is. Next, this Decision considers whether Applicant submitted a materially false application for registration and finds that he did. Lastly, this Decision determines that the

appropriate sanction is denial of Applicant's materially false application.

I. Default Determination

Under 21 CFR 1301.43, a registrant or applicant entitled to a hearing who fails to file a timely hearing request “within 30 days after the date of receipt of the [OSC] . . . shall be deemed to have waived their right to a hearing and to be in default” unless “good cause” is established for the failure. 21 CFR 1301.43(a), (c)(1). In the absence of a demonstration of good cause, a registrant or applicant who fails to timely file an answer also is “deemed to have waived their right to a hearing and to be in default.” 21 CFR 1301.43(c)(2).

The OSC notified Applicant of his deadline to file a written request for hearing and answer, and that if he failed to file such a request and answer, he would be deemed to have waived his right to a hearing and be in default.² RFAAX 2, at 8 (citing 21 CFR 1301.43). Applicant filed a hearing request and the matter was assigned to Administrative Law Judge (ALJ) Teresa Wallbaum. RFAA, at 2; RFAAX 4, at 1–2. During prehearing proceedings, the ALJ concluded that Applicant's hearing request was untimely, that he failed to demonstrate good cause to excuse the untimely filing, that he failed to file an adequate or timely answer, and that he failed to demonstrate good cause to excuse the untimeliness or inadequacy of his answer. RFAA, at 2–3; RFAAX 4, at 4–9. Accordingly, the ALJ found Applicant in default and terminated the proceedings. RFAA, at 3–4; RFAAX 4, at 9. The Agency finds that the ALJ did not err in finding Applicant to be in default.

“A default, unless excused, shall be deemed to constitute a waiver of the [applicant's] right to a hearing and an admission of the factual allegations of the [OSC].” 21 CFR 1301.43(e). Because Applicant is in default, the Agency finds that Applicant has admitted to the factual allegations in the OSC. 21 CFR 1301.43(c)(1), (e), (f)(1).

Further, “[i]n the event that [an applicant] . . . is deemed to be in default . . . DEA may then file a request for final agency action with the

Administrator, along with a record to support its request. In such circumstances, the Administrator may enter a default final order pursuant to [21 CFR] 1316.67.” 21 CFR 1301.43(f)(1). Here, the Government has requested final agency action based on Applicant's default pursuant to 21 CFR 1301.43(c), (f), and 1301.46. RFAA, at 3–5; *see also* 21 CFR 1316.67.

II. Findings of Fact

The Agency finds that, in light of Applicant's default, the factual allegations in the OSC are deemed admitted. 21 CFR 1301.43(e). Accordingly, Applicant is deemed to have admitted to each of the following facts.³ On June 11, 2024, he applied for DEA registration as a practitioner in Schedules II through V with a registered address in Salt Lake City, Utah.⁴ RFAAX 2, at 4; RFAAX 1, at 1. This application was assigned Control No. W24074770C. *Id.* An application for DEA registration includes liability questions, which an applicant must answer either affirmatively or negatively. *Id.*

Liability Question 2

Liability Question 2 asks, “Has the applicant ever surrendered (for cause) or had a federal controlled substances registration revoked, suspended, restricted, or denied, or is any such action pending?” RFAAX 2, at 4. If the applicant answers affirmatively, he or she must provide additional information about the date, location, nature, and result of the incident that is being referenced. *Id.*; RFAAX 1, at 1.

On December 21, 2020, Applicant's prior DEA registration, No. BR4988599, was revoked. RFAAX 2, at 3, 5; RFAAX 1, at 1; *see also Hil Rizvi, M.D.*, 85 FR 73804, 73804–06 (2020) (Agency final order revoking Applicant's DEA registration based on lack of state authority in Pennsylvania). Thereafter, on his June 2024 application for DEA registration, Applicant provided an affirmative answer to Liability Question 2. RFAAX 2, at 4; RFAAX 1, at 1. He identified the incident date as May 1, 2020, and the incident location as

¹ The Government further alleged that granting Applicant's application would be outside the public interest because during DEA's investigation Applicant demonstrated a lack of candor, which threatened the public health and safety. RFAAX 2, at 1, 7–8 (citing 21 U.S.C. 823(g)(1)(E)); RFAA, at 5. However, due to the Agency's finding that Applicant submitted a materially false application, which serves as an independent basis for sanction under 21 U.S.C. 824(a)(1), the Agency need not make a finding on the public interest allegation. Even without being a basis for denial, Applicant's lack of candor is relevant to the Agency's determination of an appropriate sanction. *See infra* Section IV.

² Based on the Government's submissions in its RFAA dated February 25, 2025, the Agency finds that service of the OSC on Applicant was adequate. Specifically, the Declaration from a DEA Diversion Investigator (DI) indicates that on December 16, 2024, DI emailed a copy of the OSC to Applicant after mailed copies were returned as undeliverable. RFAAX 3. During prehearing proceedings, Applicant confirmed that he received the emailed OSC on December 17, 2025, which the Agency construes as a typographical error and that Applicant intended to indicate he received the OSC on December 17, 2024. RFAAX 4, at 5. Therefore, due process notice requirements have been satisfied.

³ According to the Controlled Substances Act (CSA), “[f]indings of fact by the [DEA Administrator], if supported by substantial evidence, shall be conclusive.” 21 U.S.C. 877. Here, where Applicant is found to be in default, all the factual allegations in the OSC are deemed to be admitted. These uncontested and deemed admitted facts constitute evidence that exceeds the “substantial evidence” standard of 21 U.S.C. 877; it is un rebutted evidence.

⁴ The OSC alleges that Applicant applied for a registration in Wisconsin. RFAAX 2, at 4. Agency records reflect that Applicant transferred this application to Utah. RFAAX 1, at 1; RFAAX 2, at 1.

“Tyronne PA.” *Id.* For incident nature, he disclosed: “Pennsylvania medical license revoked by reciprocal action from Maine license denial.” *Id.* For incident result, he disclosed: “Change of address submitted to DEA to maintain old registration BR4988599 for another state NH, overlooked by DEA registration staff Senator John Hoeven North Dakota has confirmed DEA failed to update a change of address. DEA registration and Pennsylvania medical license are separate registration. Maine denial affected Ohio Pennsylvania eventually all licenses. This applicant never practiced in Maine.” *Id.*

Applicant’s follow-up narrative in response to Liability Question 2 did not disclose that on December 21, 2020, his prior DEA registration was revoked. RFAAX 2, at 3, 5; RFAAX 1, at 1; *see also Hil Rizvi, M.D.*, 85 FR at 73804–06.

Liability Question 3

Liability Question 3 asks, “Has the applicant ever surrendered (for cause) or had a state professional license or controlled substance registration revoked, suspended, denied, restricted, or placed on probation, or is any such action pending?” RFAAX 2, at 4.

On his June 2024 application for DEA registration, Applicant provided an affirmative answer to Liability Question 3. *Id.*; RFAAX 1, at 1. He identified the incident date as May 1, 2020, and the incident location as “Tyronne PA.” *Id.* For incident nature, he disclosed: “Penn physician license revocation, with DEA registration also revoked.” *Id.* For incident result, he disclosed: “Maine physician license denial 2014, led to all medical licenses affected. This matter has been evaluated by a Penn board consultant Dr James Cornish (and law professor Dr C Wm Hinnant MD JD). It has been determined, there is no clinical liability from the Maine license denial. Commonwealth Pennsylvania Judge Mary Hanna Leavitt has written an opinion, the Pennsylvania license revocation secondary to Maine denial, is an abuse of authority by the Pennsylvania licensing Board of Medicine. A copy of this opinion is available, Dr Cornish fitforduty report is available.” *Id.*

His follow-up narratives in response to Liability Question 3 did not disclose the following events:

(a) *Vermont.* On September 2, 1999, the Vermont Board of Medical Practice summarily suspended his license to practice medicine in Vermont after having found that he took the U.S. Medical Licensing Examination 3 (USMLE 3) three times before obtaining a passing score and thereby failed to

meet the qualifications for medical licensure in Vermont. RFAAX 2, at 5.

(b) *West Virginia.* On August 17, 1999, his West Virginia medical license was revoked and immediately stayed for a period of five years with probation, based on his failure to provide complete and accurate information on a licensure application in Ohio and for having represented himself as a resident physician when he was no longer participating in a training program. RFAAX 2, at 5. On March 12, 2001, the West Virginia Board of Medicine restored his license to full and unrestricted status. *Id.* His West Virginia medical license subsequently expired on June 30, 2013. *Id.*

(c) *New Hampshire.* On January 13, 2021, Applicant’s New Hampshire license to practice medicine was revoked because of the issues reported by the Pennsylvania State Board of Medicine, including that his license to practice medicine was refused by the Maine Board of Licensure in Medicine and that his license to practice medicine had been revoked by the Medical Board of Ohio. RFAAX 2, at 6.

(d) *New Mexico.* On May 10, 2023, Applicant’s application to practice as a medical doctor in New Mexico was denied because of his extensive history of adverse licensure actions in multiple jurisdictions based on, but not limited to, his failure to disclose information, dishonesty in applications, unprofessional conduct, and non-compliance with other state Board Orders concerning practice monitoring and recommendations. RFAAX 2, at 6.

(e) *Oklahoma.* On September 14, 2023, based on findings of misconduct from other state boards, the Oklahoma State Board of Medical Licensure and Supervision denied Applicant’s application for full medical licensure in Oklahoma. RFAAX 2, at 6.

III. Discussion

A DEA registration may be denied, suspended, or revoked upon a finding that the applicant or registrant materially falsified any application filed pursuant to or required by the Controlled Substances Act (CSA). 21 U.S.C. 824(a)(1).⁵ To present a *prima facie* case for material falsification, the

⁵ A statutory basis to deny an application pursuant to section 823 is also a basis to revoke or suspend a registration pursuant to section 824, and vice versa, because doing “otherwise would mean that all applications would have to be granted only to be revoked the next day” *Robert Wayne Locklear, M.D.*, 86 FR 33738, 33744–45 (2021) (collecting cases).

The Supreme Court’s decision in *Kungys v. United States*, 485 U.S. 759 (1988), and its progeny, guide the Agency’s implementation of these CSA provisions.

Government’s record evidence must show (1) the submission of an application, (2) containing a false statement and/or omitting information that the application requires, (3) when the submitter knew or should have known that the statement is false and/or that the omitted information existed and the application required its disclosure, and (4) the false statement and/or required but omitted information is material, that is, it “connect[s] to at least one of [the section 823] factors that, according to the CSA, [the Administrator] ‘shall’ consider” when analyzing “whether issuing a registration ‘would be inconsistent with the public interest.’” *Frank Joseph Stirlacci, M.D.*, 85 FR 45229, 45238 (2020) (citing 21 U.S.C. 823 and *Kungys*, 485 U.S. at 771). The Government must establish material falsification with record evidence that is clear, unequivocal, and convincing. *Kungys*, 485 U.S. at 772; *Stirlacci*, 85 FR at 45230–39.

First, the Government must prove that the applicant or registrant submitted an application for registration pursuant to the CSA. 21 U.S.C. 824(a)(1); *see also* 21 U.S.C. 822 (persons required to register); 21 U.S.C. 823(g)(1) (registration requirements).

Second, the Government must prove that the application contained a false statement or omitted information that the application required, either of which may constitute a material falsity. *See, e.g., Emed Medical Company LLC and Med Assist Pharmacy*, 88 FR 21719, 21720 (2023) (applicant falsely answered “no” to Liability Question 3 on seventeen applications when the true answer was “yes”); *Richard J. Settles, D.O.*, 81 FR 64940, 64945–46 (2016) (applicant failed to disclose an interim consent agreement restricting his license based on findings that he issued controlled substance prescriptions without federal or state legal authority to do so). In making this assessment, the Agency will examine the entire application, including registrant’s “yes/no” answers to the liability questions and any follow-up response(s). *Daniel A. Glick, D.D.S.*, 80 FR 74800, 74802, 74,808–09 (2015). To establish an omission, the Government must show both that omitted information existed and that the application required inclusion of that information. *See, e.g., Richard A. Herbert, M.D.*, 76 FR 53942, 53956 (2011) (omission of a probation which the application required to be identified); *Michel P. Toret, M.D.*, 82 FR 60041, 60042 (2017) (Voluntary Surrender Form alone is insufficient evidence to find material falsification based on registrant’s “no” answer to the

question regarding “surrender[s] (for cause)”.

Third, the Government must prove that the applicant or registrant knew or should have known that the statement is false and/or that the omitted information existed and the application required its disclosure. *See John J. Cienki, M.D.*, 63 FR 52293, 52295 (1998) (“[I]n finding that there has been a material falsification of an application, it must be determined that the applicant knew or should have known that the response given to the liability question was false.”); *Samuel Arnold, D.D.S.*, 63 FR 8687, 8688 (1998) (“It is also undisputed that Respondent knew that his Ohio dental license had previously been suspended.”); *Bobby Watts, M.D.*, 58 FR 46995, 46995 (1993) (“Respondent knew that the Tennessee Board of Medical Examiners had suspended his medical license on May 7, 1987, and had placed his state medical license on probation on May 2, 1988.”); *see also Stirlacci*, 85 FR at 45236–37 & nn. 22–23 (collecting cases).

Fourth, the Government must prove that the false statement and/or required but omitted information is “material.” *Kungys* holds that a statement is material if it is “predictably capable of affecting, *i.e.*, had a natural tendency to affect, the [Agency’s] official decision,” or stated differently, “had a natural tendency to influence the decision.” *Kungys*, 485 U.S. at 771–72. As already discussed, materiality, for the purposes of the CSA, is tied to the factors that the Administrator “shall” consider when determining whether issuance of a registration “would be inconsistent with the public interest.”⁶ 21 U.S.C. 823; *Kungys*, 485 U.S. at 771–72; *Stirlacci*, 85 FR at 45234, 45238.

The Government has the burden of proof in this proceeding. 21 CFR 1301.44. Here, the Agency finds that the Government’s record evidence presents a *prima facie* case that Applicant submitted a materially false application. 21 U.S.C. 823, 824(a)(1).

Applicant truthfully answered Liability Questions 2 and 3 in the affirmative. RFAA, at 1, 4; RFAAX 2, at 4–5. The Government alleges, however, that Applicant’s follow-up narratives in response to his affirmative answers are materially false because they failed to disclose relevant, required information. RFAA, at 1; RFAAX 2, at 5–6. Having read and analyzed all the record evidence, Applicant is deemed to have admitted and the Agency finds clear,

unequivocal, and convincing record evidence that Applicant’s narrative response to Liability Question 3 omitted relevant, required information, that these omissions constitute falsities, and that these falsities are material. 21 U.S.C. 824(a)(1); 21 CFR 1301.43(e); *Kungys*, 485 U.S. at 771–72; *Herbert*, 76 FR at 53956.

Liability Question 2

The Agency finds the following based on clear, unequivocal, and convincing record evidence, and Applicant is deemed to have admitted to the same. Liability Question 2 asks whether the applicant has ever had a federal controlled substance registration revoked, suspended, restricted, or denied. RFAAX 2, at 4. When Applicant truthfully answered “yes” to this question, he was required to provide additional details concerning the date, location, nature, and result of the incident or incidents that prompted the affirmative answer. *Id.*

In his follow-up narrative to Liability Question 2, Applicant’s response focused on his various state licenses and applications, and a previous request to change his registered address with DEA. *Id.*; RFAAX 1, at 1. Applicant’s follow-up narrative to Liability Question 2 did not clearly state that his previous DEA registration was revoked, but Applicant, by answering “yes,” had already admitted that he had a DEA registration revoked, suspended, restricted, or denied. *Id.* Then, in his follow-up response to Liability Question 3, Applicant clearly stated: “Penn physician license revocation, *with DEA registration also revoked.*” *Id.* (emphasis added). Applicant’s disclosure notified DEA that he had a previous DEA registration revoked and that it was related to losing his medical license in Pennsylvania. *Id.* Thus, the application contained a truthful and accurate disclosure.⁷ *See* RFAAX 1, at 1; RFAAX 2, at 4; *Rizvi*, 85 FR at 73804–06. The Government has provided no argument or legal authority that more detail is required. Even though the information was provided most clearly in response to the liability question asking about

state licensure, the Agency is required to look at the entire application. *Glick*, 80 FR at 74808–09.

In sum, the Government has not established by clear, unequivocal, and convincing record evidence that Applicant failed to disclose on his application that he had a previous DEA registration revoked. Thus, the Government has not established a *prima facie* case that Applicant’s response to Liability Question 2 was materially false.

Liability Question 3

The Agency finds the following based on clear, unequivocal, and convincing record evidence, and Applicant is deemed to have admitted to the same. Liability Question 3 asks whether the applicant has ever had any adverse action taken against a state professional or controlled substance license, to include surrender for cause, revocation, suspension, denial, restriction, or probation. RFAAX 2, at 4. When Applicant truthfully answered “yes” to this question, he was required to provide additional details concerning the date, location, nature, and result of the incident or incidents that prompted the affirmative answer. *Id.* In his follow-up narrative to Liability Question 3, Applicant disclosed that his Pennsylvania medical license had been revoked and his application for medical licensure in Maine had been denied. *Id.*; RFAAX 1, at 1. In his follow-up response to Liability Question 2, Applicant disclosed that the denial of his application in Maine “affected Ohio.” RFAAX 2, at 4; RFAAX 1, at 1.

Applicant, however, omitted additional relevant information responsive to Liability Question 3, namely that his West Virginia medical license was revoked and placed on probation in 1999; his Vermont medical license was suspended in 1999; his New Hampshire medical license was revoked in 2021; his application for medical licensure in Oklahoma was denied in 2023; and his application for medical licensure in New Mexico was denied in 2023.⁸ RFAAX 2, at 5–6; RFAAX 1, at 1–2.

⁷ Even if the Agency were to find that the lack of clarity in Applicant’s narrative response to Liability Question 2 constituted a falsification by omitting information that the application required, the falsity would not have been material. Applicant went on to explicitly include the allegedly omitted information in response to the next question on the application. RFAAX 1, at 1; RFAAX 2, at 4. Accordingly, Applicant provided the Agency all the information it needed to conduct the required analysis under 21 U.S.C. 823(g)(1) and 21 U.S.C. 824 such that any omission in Liability Question 2 could not be “predictably capable of affecting . . . the [Agency’s] official decision.” *Kungys*, 485 U.S. at 771–72.

⁸ The OSC further alleged that Applicant failed to disclose a “Stipulation and Order” issued by the Utah Division of Professional Licensing; denial of his application for medical licensure in Maine; and revocation of his medical license in Ohio. RFAAX 2, at 6.

Regarding the Utah allegation, the OSC does not indicate whether the “Stipulation and Order” involved any of the adverse actions listed in Liability Question 3, namely surrender for cause, revocation, suspension, denial, restriction, or probation. *Id.* Thus, the factual record is insufficient to determine whether Applicant was

⁶ Because the bases for revocation listed in 21 U.S.C. 824 may also serve as bases to deny an application, *see supra* n.5, a finding of materiality may also be tied to 21 U.S.C. 824(a)(1)–(5).

Applicant's failure to disclose that he had prior adverse actions against state licenses, to include revocation, probation, and denial, constitutes a falsity.⁹ *Pamela Monterosso, D.M.D.*, 73 FR 11146, 11147–48 (2008). The application clearly requested additional information concerning the nature and result of each of the incidents which prompted a “yes” answer to Liability Question 3. RFAAX 2, at 4. Applicant knew or should have known that the actions against his West Virginia license, his Vermont license, his New Hampshire license, his Oklahoma application, and his New Mexico application existed and that the DEA application required their disclosure. *Id.* at 3–6. Indeed, Applicant clearly understood that the DEA application requested this information, because he did, in fact, disclose some actions against licenses in other states. *Id.* Although Applicant answered “yes” to Liability Question 3, he failed to identify in the follow-up response the revocation of his West Virginia and New Hampshire licenses, the suspension of his Vermont license, and the denial of his Oklahoma and New Mexico applications. *Id.* Failing to identify these adverse actions constitutes a falsity as to each omission.

Furthermore, these falsities are material. Liability Question 3 is intended to obtain information relevant to conduct the analysis required by 21 U.S.C. 823 and 824. Specifically, 21 U.S.C. 823(g)(1) directs the Administrator¹⁰ to consider whether

obligated to disclose this information in response to Liability Question 3.

Regarding the Maine allegation, Applicant wrote in his follow-up narrative: “Maine physician license denial 2014.” RFAAX 2, at 4; RFAAX 1, at 1. Thus, this allegation is not sustained, because the record evidence shows that Applicant did, in fact, disclose the denial of an application in Maine.

Regarding the Ohio allegation, Applicant disclosed in his follow-up narrative to Liability Question 2 that denial of his application in Maine “affected Ohio.” RFAAX 2, at 4; RFAAX 1, at 1. This response informed DEA of an adverse action against him in Ohio and the Government has not provided any authority to support the proposition that the application required more detailed information than this. Thus, Applicant did not provide a false answer with respect to the adverse action against his Ohio license. Further, even if the Agency were to find this response to be false, it would not be material. *See supra* n.7.

⁹ Applicant's response to Liability Question 2 refers to “all licenses” and his response to Liability Question 3 refers to “all medical licenses affected.” RFAAX 2, at 4; RFAAX 1, at 1. These vague statements, however, do not disclose the adverse actions that Applicant was required to disclose in response to Liability Question 3, and do not change the Agency's finding that Applicant omitted relevant information and that such omissions were materially false.

¹⁰ The CSA vests authority in the Attorney General, who has delegated such authority under

the applicant is “authorized to dispense . . . controlled substances under the laws of the State in which he practices,” and to determine whether registration “would be inconsistent with the public interest.” 21 U.S.C. 823(g)(1). Further, the public interest factors require the Administrator to consider the recommendation of state licensing boards, the applicant's experience in handling controlled substances, the applicant's compliance with state laws related to controlled substances, and other conduct which may threaten public safety. 21 U.S.C. 823(g)(1)(A), (B), (D), (E). Additionally, 21 U.S.C. 824(a)(3) and (4) require the Administrator to consider whether the applicant has had a state license or registration suspended, revoked, or denied by state authority, and whether the applicant has committed acts inconsistent with the public interest. Liability Question 3, in other words, is tethered to provisions which the Administrator is required by statute to consider when reviewing applications for registration. *Stirlacci*, 85 FR at 45238. Thus, a false answer to Liability Question 3 is material. *Id.*

By omitting adverse actions against three state licenses and two state license applications, Applicant “deprived [DEA] of information potentially relevant to” the analysis that the Administrator is statutorily mandated to conduct. *Stirlacci*, 85 FR at 45234–35; 21 U.S.C. 823(g)(1), 824(a); RFAAX 2, at 5–6; RFAAX 1, at 1. Thus, omission of this information directly affected the public interest analysis that DEA was required to make when it reviewed his registration application. 21 U.S.C. 823(g)(1), 824(a); *Stirlacci*, 85 FR at 45238. Stated differently, the omissions were material because they were “predictably capable of affecting . . . [DEA's] official decision” regarding whether Applicant met “the requirements for” registration.¹¹ *Kungys*, 485 U.S. at 771.

the CSA to the Administrator of DEA (the Agency). 21 U.S.C. 821, 823, 824; 28 CFR 0.100.

¹¹ The fact that Applicant truthfully disclosed some state adverse actions does not negate a finding of materiality regarding the omitted state actions. *See, e.g., Settles*, 81 FR at 64945–46 (applicant disclosed state probation but failed to disclose a subsequent state order alleging that he violated the probation); *Jose G. Zavaleta, M.D.*, 78 FR 27431, 27439 (2013) (applicant disclosed surrender of registration but failed to disclose state suspension); *Herbert*, 76 FR at 53956–57 (disclosed one probation but not another); *Harold Edward Smith, M.D.*, 76 FR 53961, 53963–64 (2011) (disclosed one board order but failed to disclose several others); *Alvin Darby, M.D.*, 75 FR 26993, 26998–99 (2010) (disclosed surrender of registration but failed to disclose criminal conviction and state license probation); *Monterosso*, 73 FR at 11147–48 (disclosed one conviction but failed to disclose another).

In sum, the Agency finds clear, unequivocal, and convincing record evidence that Applicant's response to Liability Question 3 was materially false for failure to disclose revocation and probation of his medical license in West Virginia, suspension of his medical license in Vermont, revocation of his medical license in New Hampshire, and denial of his applications for medical licensure in Oklahoma and New Mexico. 21 U.S.C. 824(a)(1); 21 CFR 1301.43(e). The Agency further finds that the Government has established a *prima facie* case for material falsification, that Applicant did not rebut that *prima facie* case, and that there is clear, unequivocal, and convincing record evidence supporting the denial of Applicant's application. 21 U.S.C. 824(a)(1).

IV. Sanction

Where, as here, the Government has met the burden of showing that Applicant submitted a materially false application for registration, the burden shifts to Applicant to show why he can be trusted with a registration. *Morall v. Drug Enf't Admin.*, 412 F.3d 165, 181 (D.C. Cir. 2005); *Jones Total Health Care Pharmacy, LLC v. Drug Enf't Admin.*, 881 F.3d 823, 830 (11th Cir. 2018); *Garrett Howard Smith, M.D.*, 83 FR 18882, 18904 (2018). The issue of trust is necessarily a fact-dependent determination based on the circumstances presented by the individual. *Jeffrey Stein, M.D.*, 84 FR 46968, 46972 (2019); *see also Jones Total Health Care Pharmacy*, 881 F.3d at 833. Moreover, as past performance is the best predictor of future performance, the Agency requires that a registrant or applicant who has committed acts inconsistent with the public interest accept responsibility for those acts and demonstrate that he will not engage in future misconduct. *See Jones Total Health Care Pharmacy*, 881 F.3d at 833; *ALRA Labs, Inc. v. Drug Enf't Admin.*, 54 F.3d 450, 452 (7th Cir. 1995). The Agency requires acceptance of responsibility to be unequivocal. *Janet S. Pettyjohn, D.O.*, 89 FR 82639, 82641 (2024); *Mohammed Asgar, M.D.*, 83 FR 29569, 29573 (2018); *see also Jones Total Health Care Pharmacy*, 881 F.3d at 830–31.

In addition, a registrant's or applicant's candor during the investigation is an important factor in determining acceptance of responsibility and the appropriate sanction. *See Jones Total Health Care Pharmacy*, 881 F.3d at 830–31; *Hoxie*, 419 F.3d at 483–84. Further, the Agency considers the egregiousness and extent of the misconduct as significant factors

in determining the appropriate sanction. See *Jones Total Health Care Pharmacy*, 881 F.3d at 834 & n.4. The Agency also considers the need to deter similar acts by an applicant and by the community of registrants. *Stein*, 84 FR at 46972–73.

Here, Applicant did not timely request a hearing, or timely or properly answer the allegations, and was therefore deemed to be in default. 21 CFR 1301.43(c)(1), (e), (f)(1); RFAA, at 1–4. To date, Applicant has not filed a motion with the Office of the Administrator to excuse the default. 21 CFR 1301.43(c)(1). Applicant has thus failed to answer the allegations contained in the OSC and has not otherwise availed himself of the opportunity to refute the Government's case. As such, Applicant has not accepted responsibility for the proven violations, has made no representations regarding his future compliance with the CSA, and has not made any demonstration that he can be trusted with registration.

Moreover, the evidence presented by the Government shows that Applicant supplied DEA with materially false information in his application for registration, further demonstrating that Applicant cannot be trusted with the responsibilities of holding a controlled substances registration. Additionally, the material information Applicant failed to disclose reveals that he has engaged in a pattern of dishonesty over many years with multiple state jurisdictions. RFAAX 2, at 3–6. Similarly, Applicant is deemed to have admitted that he “lacked candor during the course of [the] investigation by the DEA.” *Id.* at 8. If the Agency were to issue a registration to Applicant under these circumstances, it would send a dangerous message that submitting truthful, accurate, and complete information to DEA is not essential for obtaining a registration. Accordingly, the Agency will order the denial of Applicant's application.

Order

Pursuant to 28 CFR 0.100(b) and the authority vested in me by 21 U.S.C. 823 and 824, I hereby deny the pending application for a DEA Certificate of Registration, No. W24074770C, submitted by Hil Rizvi, M.D., as well as any other pending application of Hil Rizvi, M.D., for additional registration in Utah. This Order is effective November 20, 2025.

Signing Authority

This document of the Drug Enforcement Administration was signed on October 9, 2025, by Administrator Terrance Cole. That document with the

original signature and date is maintained by DEA. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DEA Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of DEA. This administrative process in no way alters the legal effect of this document upon publication in the **Federal Register**.

Heather Achbach,

Federal Register Liaison Officer, Drug Enforcement Administration.

[FR Doc. 2025–19612 Filed 10–20–25; 8:45 am]

BILLING CODE 4410–09–P

NATIONAL CREDIT UNION ADMINISTRATION

[NCUA–2025–0543]

The NCUA Staff Draft 2026–2027 Budget

AGENCY: National Credit Union Administration (NCUA).

ACTION: Notice.

SUMMARY: The NCUA's staff draft “detailed business-type budget” for 2026 and 2027 was made available for public review in the **Federal Register** as required by federal statute on September 29, 2025, as docket number NCUA–2025–0543. The NCUA will hold an in-person budget hearing to discuss its staff draft budget on November 6, 2025, at 1 p.m. Eastern. Further information about the hearing schedule and comment instructions are included in the **SUPPLEMENTARY INFORMATION** section.

DATES: Requests to deliver an in-person statement at the November 6, 2025, budget hearing must be received on or before October 30, 2025. Written statements and presentations for those scheduled to appear at the budget hearing must be received on or before 1 p.m. Eastern, November 3, 2025.

The comment period for the notice published on September 29, 2025 (90 FR 46640) is extended. Written comments must be received on or before November 7, 2025.

ADDRESSES: You may submit comments by any of the following methods (*please send comments by one method only*):

- In-person presentation at public budget briefing: submit requests to deliver a statement at the hearing to BudgetHearing@ncua.gov by October 30, 2025. Include your name, title, affiliation, mailing address, email address, and telephone number. The

NCUA Board Secretary will inform you by October 31, 2025, if you have been approved to make a presentation. In order to present at the public meeting, you must submit a statement. Your statement must be submitted to BudgetHearing@ncua.gov by 1 p.m. Eastern, November 3, 2025. Your presentation must be delivered in person at the public budget hearing. You will be allotted five minutes during the budget hearing to deliver your remarks.

- Written comments without an in-person presentation: submit written comments by November 7, 2025, through the Federal eRulemaking Portal: <https://www.regulations.gov>. The docket number is NCUA–2025–0543. Follow the instructions for submitting comments.

- Copies of the NCUA Draft 2026–2027 Budget and associated materials are also available on the NCUA website at <https://www.ncua.gov/About/Pages/budget-strategic-planning/supplementary-materials.aspx>.

FOR FURTHER INFORMATION CONTACT:

Melissa L. Lowden, Acting Chief Financial Officer, National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314–3428, or telephone: (703) 518–1182.

SUPPLEMENTARY INFORMATION: Section 212 of the Economic Growth, Regulatory Relief, and Consumer Protection Act amended 12 U.S.C. 1789(b)(1)(B) to require the NCUA Board (Board) to “hold a public hearing, with public notice provided of the hearing, during which the public may submit comments on the draft of the detailed business-type budget.”

The NCUA Acting Chief Financial Officer will present the staff draft budget at a budget hearing open to the public and scheduled for Thursday, November 6, 2025, at 1:00 p.m. Eastern at the NCUA headquarters building, 1775 Duke Street, Alexandria, Virginia 22314. Interested parties unable to attend in person may visit the agency's homepage (<https://www.ncua.gov/>) to access the provided webcast link.

If you wish to participate in the hearing and deliver a statement, you must email a request to BudgetBriefing@ncua.gov by October 30, 2025. Your request must include your name, title, affiliation, mailing address, email address, and telephone number. Statements must be delivered in person at the hearing. The NCUA will work to accommodate as many public statements as possible at the November 6, 2025, budget hearing. The Board Secretary will inform you if you have been approved to make a presentation

and you will be allotted five minutes during the budget hearing to deliver your remarks. A written copy of your statement must be received by the Board Secretary via email at by 1 p.m. Eastern, November 3, 2025. In addition to delivering their remarks at the budget hearing, registered presenters will be provided the opportunity to ask questions of NCUA staff about the staff draft budget. The initial round of questions will be limited to five minutes per presenter, and one subsequent round of questions, limited to five minutes per presenter, may be permitted by the Chairman if time allows.

Written comments on the staff draft budget will also be accepted by November 7, 2025, through the Federal eRulemaking Portal: <https://www.regulations.gov>. The docket number is NCUA-2025-0543. Commenters should follow the portal instructions for submitting comments.

All comments should provide specific, actionable recommendations about the staff draft budget rather than general remarks. The NCUA Board will review and consider any comments from the public prior to approving the NCUA 2026-2027 budget.

By the National Credit Union Administration Board.

Melane Conyers-Ausbrooks,
Secretary of the Board.

[FR Doc. 2025-19602 Filed 10-20-25; 8:45 am]

BILLING CODE 7535-01-P

POSTAL REGULATORY COMMISSION

[Docket No. MC2026-21; Order No. 9276]

Competitive Postal Products

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: The Commission is recognizing a recent filing by the Postal Service concerning a product description change to the Mail Classification Schedule. This notice informs the public of the filing, invites public comment, and takes other administrative steps.

DATES: *Comments are due:* October 24, 2025.

ADDRESSES: Submit comments electronically via the Commission's Filing Online system at <http://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:

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- I. Introduction
- II. Contents of Filing
- III. Commission Action
- IV. Ordering Paragraphs

I. Introduction

On October 14, 2025, pursuant to 39 CFR 3040.180, the Postal Service filed a request to make material changes to the product description for Competitive International Registered Mail in the *Mail Classification Schedule* (MCS) section 2615.2, and to make accompanying material changes to MCS sections 2335.5, 2510.3.5, 2510.7.5, and 2510.8.5 in which Competitive International Registered Mail is listed as an optional feature for First-Class Package International Service.¹

II. Contents of Filing

The Postal Service states that it proposes these material changes to the MCS so that its offerings will conform with certain changes to the Universal Postal Union (UPU) Universal Postal Convention (Convention) and the Convention Regulations that are related to international registered mail. Request at 1. The Postal Service states that it currently offers International Registered Mail as an optional feature for First-Class Mail International (FCMI) and First-Class Package International Service (FCPIS). *Id.* at 2. It states that FCMI corresponds with outbound small letters (P) and large letters (G) for letter-post items under the Convention, and FCPIS corresponds with outbound bulky letters (E) and small packets (E) for letter-post items under the Convention. *Id.*

According to the Postal Service, the UPU amended the Convention during the 2023 UPU Extraordinary Congress so that, effective January 1, 2026, international registered mail will be available for letter-post small letters (P), large letters (G), and bulky letters (E) format items containing documents only, but not for small packets (E) format items containing goods. *Id.* at 2-3 (citations omitted). In addition, the Postal Service states that the UPU further amended the Convention during the 2025 UPU Congress so that, effective January 1, 2027, bulky letters (E) will be discontinued, and documents will be

only eligible to be included in small letters (P) and large letters (G) format items when mailed internationally in letter post. *Id.* at 4 (citations omitted).

The Postal Service states that as a result of these amendments to the Convention, International Registered Mail will only be offered for small letters (P) and large letters (G) format items as FCMI. *Id.* at 5. Consequently, the Postal Service proposes to remove the outbound portion of Competitive International Registered Mail in MCS section 2615.2 and make conforming changes throughout the Competitive product list in the MCS to reflect that Competitive International Registered Mail will no longer be available as an optional feature for FCPIS. *Id.* at 5-6.

The Postal Service states that although the restriction of international registered mail to letter-post items containing documents only (not goods) is effective January 1, 2026, and the discontinuation of bulky letters (E) format is effective January 1, 2027, it proposes to implement both of the material changes to the MCS on January 1, 2026. *Id.* at 5.

The Postal Service includes a copy of Governors' Decision No. 25-3 supporting the Request in Attachment 1, a copy of the applicable sections of the MCS and the proposed changes in legislative format in Attachment 2, and an application for non-public treatment of materials filed under seal in Attachment 3. *Id.* at 2; *id.* Attachments 1-3. The Postal Service provides supporting justification for the proposed material changes to the MCS, including a description of and rationale for the proposed changes, why the proposed changes will not result in the violation of any of the standards of 39 U.S.C. 3633 and 39 CFR part 3035, and the likely impact that the proposed changes will have on users of the product and on competitors. *See* Request at 7-11.

III. Commission Action

The Commission establishes Docket No. MC2026-21 for consideration of matters raised by the Request.

The Commission invites comments on whether the Postal Service's filing is consistent with 39 U.S.C. 3633 and 39 CFR 3040.180 and 3040.181. Comments are due October 24, 2025. The public portions of the filings can be accessed via the Commission's website (<https://www.prc.gov>).

The Commission appoints Samuel Robinson to represent the interests of the general public (Public Representative) in this docket, pursuant to 39 CFR 3010.101(q)(3). The Public Representative does not represent any individual person, entity, or particular

¹ Request of the United States Postal Service for Classification Changes Concerning Competitive International Registered Mail and Notice of Filing Materials Under Seal, October 14, 2025, at 1 (Request).

point of view, and, when Commission attorneys are appointed, no attorney-client relationship is established.

IV. Ordering Paragraphs

It is ordered:

1. The Commission establishes Docket No. MC2026–21 for consideration of matters raised by the Postal Service's Request.

2. Pursuant to 39 CFR 3010.101(q)(3), Samuel Robinson is appointed to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this proceeding.

3. Comments are due October 24, 2025.

4. The Secretary shall arrange for publication of this Order in the **Federal Register**.

By the Commission.

Erica A. Barker,
Secretary.

[FR Doc. 2025–19605 Filed 10–20–25; 8:45 am]

BILLING CODE 7710–FW–P

POSTAL REGULATORY COMMISSION

[Docket Nos. CP2024–657; K2025–813; MC2026–28 and K2026–28; MC2026–31 and K2026–31; MC2026–32 and K2026–32; MC2026–33 and K2026–33]

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 24, 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)
- III. Summary Proceeding(s)

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.

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.

II. Public Proceeding(s)

1. *Docket No(s):* CP2024–657; *Filing Title:* USPS Request Concerning Amendment One to Priority Mail Express, Priority Mail & USPS Ground Advantage Contract 315, with Materials Filed Under Seal; *Filing Acceptance Date:* October 16, 2025; *Filing Authority:* 39 CFR 3035.105 and 39 CFR 3041.505; *Public Representative:* Christopher Mohr; *Comments Due:* October 24, 2025.

2. *Docket No(s):* K2025–813; *Filing Title:* USPS Request Concerning Amendment One to Priority Mail Express, Priority Mail & USPS Ground Advantage Contract 1057, with Materials Filed Under Seal; *Filing Acceptance Date:* October 16, 2025; *Filing Authority:* 39 CFR 3035.105 and 39 CFR 3041.505; *Public Representative:* Christopher Mohr; *Comments Due:* October 24, 2025.

3. *Docket No(s):* MC2026–28 and K2026–28; *Filing Title:* USPS Request to Add Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 95 to Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date:* October 16, 2025; *Filing Authority:* 39 U.S.C. 3642, 39 CFR 3035.105, and 39 CFR 3041.310; *Public Representative:* Maxine Bradley; *Comments Due:* October 24, 2025.

4. *Docket No(s):* MC2026–31 and K2026–31; *Filing Title:* USPS Request to Add Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 97 to Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date:* October 16, 2025; *Filing Authority:* 39 U.S.C. 3642, 39 CFR 3035.105, and 39 CFR 3041.310; *Public Representative:* Katalin Clendenin; *Comments Due:* October 24, 2025.

5. *Docket No(s):* MC2026–32 and K2026–32; *Filing Title:* USPS Request to Add Priority Mail & USPS Ground Advantage Contract 883 to the Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date:* October 16, 2025; *Filing Authority:* 39 U.S.C. 3642, 39 CFR

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).

3035.105, and 39 CFR 3041.310; *Public Representative*: Samuel Robinson; *Comments Due*: October 24, 2025.

6. *Docket No(s)*: MC2026–33 and K2026–33; *Filing Title*: USPS Request to Add Priority Mail Express, Priority Mail & USPS Ground Advantage Contract 1442 to the Competitive Product List and Notice of Filing Materials Under Seal; *Filing Acceptance Date*: October 16, 2025; *Filing Authority*: 39 U.S.C. 3642, 39 CFR 3035.105, and 39 CFR 3041.310; *Public Representative*: Kenneth Moeller; *Comments Due*: October 24, 2025.

III. Summary Proceeding(s)

None. See Section II for public proceedings.

This Notice will be published in the **Federal Register**.

Erica A. Barker,
Secretary.

[FR Doc. 2025–19621 Filed 10–20–25; 8:45 am]

BILLING CODE 7710–FW–P

DEPARTMENT OF TRANSPORTATION

Office of the Secretary of Transportation

[Docket No.: DOT–OST–2025–1194]

Beautifying Transportation Infrastructure Council

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

ACTION: Notice—Establishment of the Beautifying Transportation Infrastructure Council (BTIC) and solicitation of nominations for membership.

SUMMARY: The Department announces the establishment of the Beautifying Transportation Infrastructure Council, which will advise the Secretary of Transportation on enhancing the aesthetic value of our Nation's transportation systems. In addition, the Department is soliciting nominations for membership of the Council.

DATES: The deadline for nominations for Council members must be received on or before November 21, 2025.

ADDRESSES: All nomination materials should refer to the docket number above and be submitted by one of the following methods:

- *Federal Rulemaking Portal*: <https://www.regulations.gov>. Follow the online instructions for submitting comments.

- *Mail*: Docket Management Facility, U.S. Department of Transportation, 1200 New Jersey Avenue SE, West Building Ground Floor, Room W12–140, Washington, DC 20590–0001.

- *Hand Delivery*: 1200 New Jersey Avenue SE, West Building Ground Floor, Room W12–140, Washington, DC, between 9 a.m. and 5 p.m. ET, Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT:

Beautifying Transportation Infrastructure Council Designated Federal Officer, c/o Julianne Schwarzer, Acting Director of Environment and Permitting, Office of the Assistant Secretary for Transportation Policy, Office of the Secretary, BeautifyTransportation@dot.gov or 617–999–9667.

SUPPLEMENTARY INFORMATION: American infrastructure should be used to inspire and uplift American citizens. The Department announces the establishment of the Beautifying Transportation Infrastructure Council. The purpose of the Council is to advise the Secretary of Transportation on enhancing the aesthetic value of our Nation's transportation systems.

In particular, the Council provides recommendations on policies, designs, and funding priorities that beautify transportation infrastructure, including highways, bridges, and transit hubs, while maintaining safety and efficiency. The Council identifies best practices, develops aesthetic performance metrics, and advises on projects that enhance public spaces and reflect local character. The Council will be continuing, but subject to renewal every two years. The Council is expected to meet biannually. The Secretary may create subcommittees to work on specific tasks. Unless otherwise required by law or approved by the Secretary, all meetings will be held virtually (or in a hybrid forum that does not require additional use of Federal funds).

In this notice, the Department is also soliciting nominations for membership to the Council. The Council shall report to the Secretary and comprise up to 11 members, including architects, landscape designers, urban planners, artists, transportation engineers, historic preservation and other community advocates, and representatives from State, local, and Tribal governments.

The Council may also include the current and former Chairs of the U.S. Commission of Fine Arts and the Chief Architect of the U.S. General Services Administration. Members will serve two-year terms but may be reappointed. The Department seeks to appoint members who will reflect a fair balance in terms of the points of view and professional backgrounds represented and the functions to be performed by the Council. No single interest group will hold a majority. Members appointed solely for their expertise will serve as Special Government Employees.

Process and Deadline for Submitting Nominations: Qualified individuals can self-nominate or be nominated by any individual or organization. To be considered for the Council, nominators should submit the following information:

(1) Name, title, and relevant contact information (including phone, fax, and email address) of the individual requesting consideration;

(2) A letter of support from a company, union, trade association, academic or nonprofit organization on letterhead containing a brief description why the nominee should be considered for membership;

(3) Short biography of the nominee, including professional and academic credentials;

(4) An affirmative statement that the nominee meets all Council eligibility requirements.

Please do not send company, trade association, or organization brochures or any other information. Materials submitted should total two pages or less. Should more information be needed, DOT staff will contact the nominee, obtain information from the nominee's past affiliations, or obtain information from publicly available sources, such as the internet.

Nominations must be received before November 21, 2025. Nominees selected for appointment to the Council will be notified by return email and by a letter of appointment.

Issued in Washington, DC, on October 17, 2025.

Loren A. Smith, Jr.,

Deputy Assistant Secretary for Transportation Policy.

[FR Doc. 2025–19622 Filed 10–20–25; 8:45 am]

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